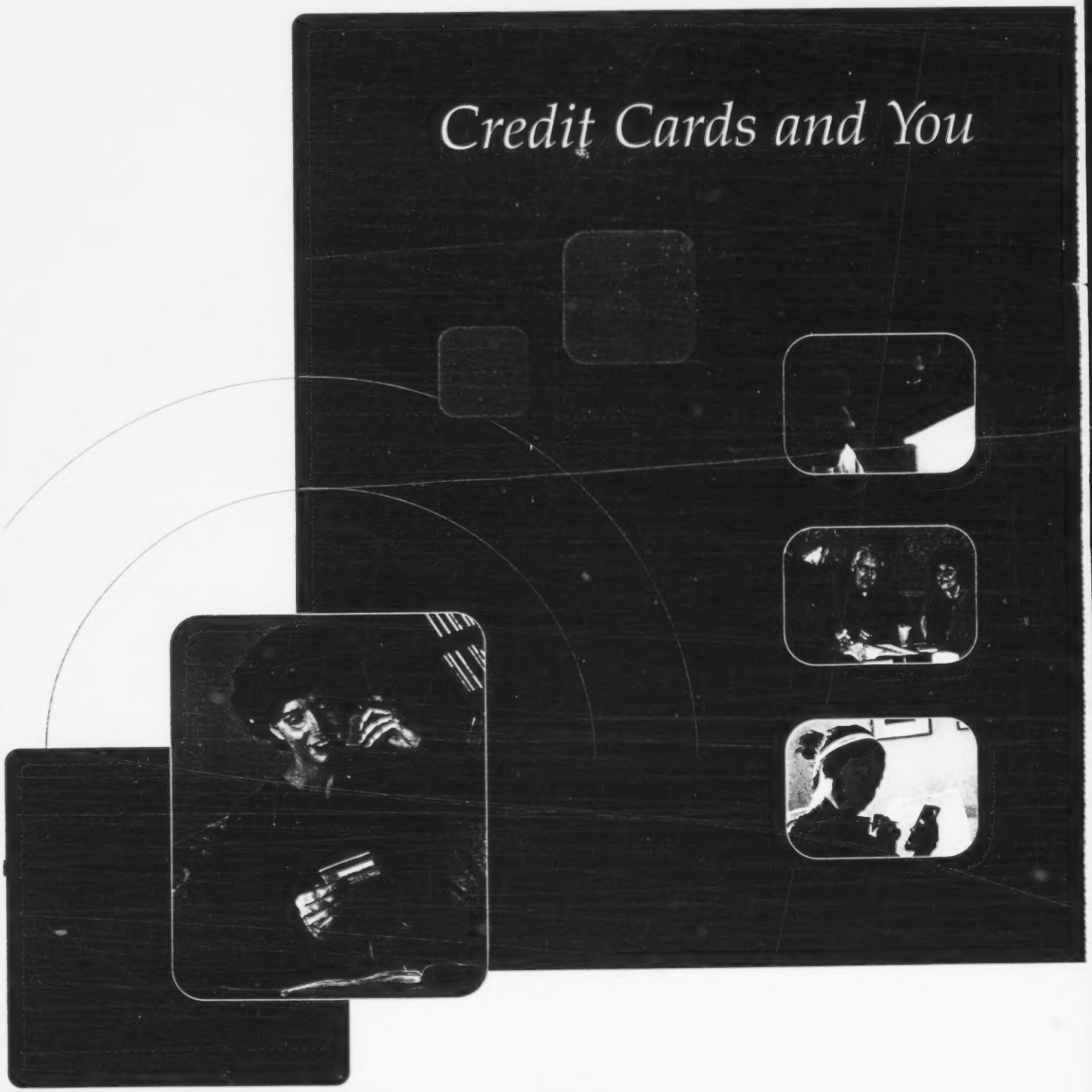
Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Credit Cards and You



Protecting Consumers *Informing Canadians*

Credit Cards and You

Table of Contents

Getting the Most from Your Credit Card: Understanding the Terms and Conditions (PDF 705 kB)

Want to save money and avoid problems with your credit card? Understanding your credit card's benefits and risks, how your issuer calculates your interest charges and how you can benefit from introductory rates will help you make the most of your credit card. Read about this and more in ***Getting the Most from Your Credit Card (PDF 705 kB).***

Your Rights and Responsibilities: The Cost of Borrowing with a Credit Card (PDF 380 kB)

It's important to know about the rights and responsibilities that come with a credit card. Doing so will save you time and money, and will help you stay out of financial trouble. ***Your Rights and Responsibilities (PDF 380 kB)*** tells you all about this.

Managing Your Money: How to Save with a Credit Card (PDF 449 kB)

Do you want to lower your interest rate, use up your credit balances wisely and make sure your monthly payments are never late? ***Managing Your Money (PDF 449 kB)*** will show you how.

Playing It Safe: How to Protect Your Credit Card and Credit History (PDF 378 kB)

Just about everybody has a credit file, but where is it kept and is it accurate? How can you protect yourself if your card is lost or stolen? ***Playing It Safe (PDF 378 kB)*** answers these questions for you, and quite a few more.

Secured Credit Cards

The ***Secured Credit Cards (PDF 241 kB)*** comparison table includes information about secured credit cards and offers a handy comparison table of different secured credit cards available across Canada. If you've had trouble

getting an unsecured credit card, the ***Secured Credit Cards*** comparison table is for you.

Credit Balance Insurance

This section explains how credit balance insurance works and whether or not it might be beneficial for you to obtain coverage. The ***Credit Balance Insurance*** (PDF 251 kB) comparison table included in this section lets you compare the features of credit balance insurance products offered by various credit card issuers.

Credit Card Comparison Tables (Updated June 2004)

The following tables compare the features and costs of various credit cards available from credit card issuers across Canada:

- Standard Credit Cards (PDF 328 kB) (low-rate and regular-rate)
- Gold Credit Cards (PDF 365 kB) (low-rate and regular-rate)
- Platinum Credit Cards (PDF 352 kB) (low-rate and regular-rate)
- U.S. Dollar Credit Cards (PDF 311 kB)
- Student Credit Cards (PDF 350 kB) (low-rate and regular-rate)
- Secured Credit Cards (PDF 328 kB)
- Retail Credit Cards (PDF 282 kB)
- Charge Cards (PDF 290 kB)
- Credit Balance Insurance (PDF 251 kB)

The following two tables compare the service fees from various credit card issuers that are applicable to certain credit card transactions:

- Service fees on Visa, MasterCard and American Express credit card transactions (PDF 282 kB)
- Service fees on retail credit card transactions. (PDF 285 kB)

Worksheet to Help You Choose a Credit Card

This **handy worksheet (PDF 142 kB)** is designed to make your comparison shopping easier. Print this easy-to-follow worksheet and take it with you when you shop around for a credit card. When you're finished, you'll have the information you need to choose the best credit card for you.

Glossary of Key Terms

Annual interest rate, cash advance, grace period, prime rate, security deposit ... these are all important terms that you'll find in the ***Glossary of Key Terms (PDF 181 kB).*** Many of the terms you'll find in your credit card agreement are also defined here.

[▲]

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We want to hear from you! Please tell us what you think of this publication and how we can make it better.

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Important Notices

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Publications

Credit Cards and You Update

The FCAC tracks recent changes to credit card interest rates since the last issue of *Credit Cards and You*.

Effective Date of Change	Institution	Name of Credit Card	Change
June 1, 2004	Sears Canada	Sears MasterCard	Sears is now offering the Sears MasterCard credit card, at a regular interest rate of 18.9%, with a 21-day grace period. There is a $10 over-the-limit fee on this card, a 2.5% currency conversion charge, a $25 fee for handling a dishonoured cheque or cash advance, a $2 fee for re-printing a statement and a $4 fee for re-printing a sales slip.

The FCAC compiles the information contained in this table from rates obtained from card issuers, and therefore cannot be responsible for incorrect or missing changes to interest rates. For the most up-to-date information, contact your credit card issuer.

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Important Notices

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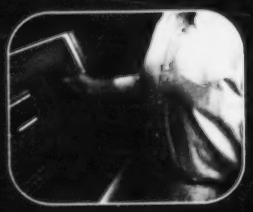
Getting the Most from Your Credit Card

Understanding the Terms and Conditions

If you want to know…

- How to choose a credit card that meets your needs
- How to determine if the interest-free applies
- How to get the most from low introductory rates
- How to save money when you use your credit card

… then this booklet is for you!



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About FCAC

The Financial Consumer Agency of Canada (FCAC) is an agency of the Government of Canada. It was created to protect the rights of consumers and inform them about financial products and services.

How We Protect You

We make sure that financial institutions regulated by the Government of Canada follow the consumer protection measures set out in federal laws and regulations. We also see to it that they respect their own codes of conduct and their commitments to you, the consumer.

If you'd like to learn more about consumer protection and about the financial industry's codes of conduct, we'd be happy to hear from you.

How We Inform You

FCAC provides information, tips and tools to help you protect your rights and find the financial products or services you need. You can get this information by calling or writing to us, by visiting our Web site or through our free publications.

How You Can Reach Us

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Ottawa ON K1R 1B9

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E-mail for publications:	pub@fcac-acfc.gc.ca
Web site:	www.fcac-acfc.gc.ca

About Credit Cards and You

Credit Cards and You explains the features and costs of credit cards. It comes in a multi-piece "kit" format containing this guide and other booklets, a glossary of key terms and a worksheet to help you choose a credit card. In addition, several comparison tables help you compare the characteristics of credit cards available in Canada, including the service fees related to certain credit card transactions.

Throughout these booklets you will find references to the "kit". If you have not received the full kit and would like to, please contact FCAC for your free copy.

The other documents available as part of the ***Credit Cards and You*** kit are as follows.

Getting the Most from Your Credit Card: Understanding the Terms and Conditions

Want to save money and avoid problems with your credit card? Understanding your credit card's benefits and risks, how your issuer calculates your interest charges and how you can benefit from introductory rates will help you make the most of your credit card. Read about this and more in ***Getting the Most from Your Credit Card***.

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Credit Card Comparison Tables

The following pull-outs compare the features and costs of various credit cards available from credit card issuers across Canada:

- Standard Credit Cards (low-rate and regular-rate)
- Gold Credit Cards (low-rate and regular-rate)
- Platinum Credit Cards (low-rate and regular-rate)
- U.S. Dollar Credit Cards
- Student Credit Cards (low-rate and regular-rate)
- Secured Credit Cards
- Retail Credit Cards
- Charge Cards

The following two tables compare the service fees from various credit card issuers that are applicable to certain credit card transactions:

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- Service fees on retail credit card transactions.

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This handy pull-out is designed to make your comparison shopping easier. Take this easy-to-follow table with you to your credit card issuer and fill it in. When you're finished, you'll have the information you need to choose the best credit card for you.

Glossary of Key Terms Used in This Kit

Annual interest rate, cash advance, grace period, prime rate, security deposit ... these are all important terms that you'll find in the ***Glossary of Key Terms Used in This Kit***. Many of the terms you'll find in your credit card agreement are also defined here.

Understanding the Terms and Conditions of Your Card

Credit cards can be extremely useful and convenient. They've become part of our lives, and it can be hard to get along in today's world without one.

You'll get more out of a credit card if it's the right one for you. You'll also probably save money and manage your finances more effectively if you know how your credit card works.

This guide will help you understand credit cards. If you're looking for your first card or for a new one, be sure to explore options such as specialized credit cards, student cards and more. We've also included a handy checklist at the back of the guide to help you choose your credit card.

If you've received an offer of a card with a low introductory rate, this guide will give you more information about these offers, too. Or, if your credit card statement is puzzling you, read the sections that talk about interest calculations and interest-free periods. At the end of this guide, we give you tips to help you save money on interest and fees.

While credit cards are indispensable for most people, they do come with potential risks. You can manage these risks better if you know what they are. Here's a quick look at these benefits and risks.

Benefits

A credit card can:

- help you establish a credit history and earn a credit rating;
- be more convenient to carry than cash;
- offer free use of funds, provided you always pay your balance in full, by the due date;
- give you incentives, such as reward points, that you can redeem for merchandise or services; and
- provide a convenient payment method for purchases made on the Internet and over the telephone.

Risks

On the other hand, credit cards can:

- allow you to build up more debt than you can handle;
- damage your credit rating if your payments are late;
- have complicated terms and conditions; and
- cost much more than other forms of credit, such as a line of credit or a personal loan.

Four Steps to Choosing a Credit Card

Choosing the right credit card is much easier if you know what you're looking for and understand what the various credit card issuers are offering. Here are four steps you can follow to help you decide which card is best for you.

Step 1: Know your needs and wants

Ask yourself:

- How much will I spend on the card each month?
- Will I be able to pay my balance in full each month?
- Would I benefit from any reward programs?
- Am I prepared to pay an annual fee?

Step 2: Use Table 1 or Flowchart 1 to help you choose the right type of credit card

- There are many types of credit cards, including specialized cards. For more information on specialized cards, see Table 1 (on page 6).
- If you can't benefit from a specialized card, use Flowchart 1 on page 7 to help you choose another type of credit card that meets your needs.

Step 3: Once you've selected the type of card, shop around

To compare the features and costs of cards from different issuers, see the comparison tables provided with this kit. If you did not receive comparison tables, contact FCAC and we'll send you a free copy.

Step 4: Before you make your final choice, make sure you understand all the terms and conditions of your credit card

This step will save you a lot of time and money! By understanding the terms and conditions of your credit card, you'll get more out of it. At the same time, you'll minimize the drawbacks of using the card. Make sure you know:

- the interest rate charged on purchases, cash advances and balance transfers;
- how the interest is calculated;
- the annual fee and other applicable fees;
- the grace period (see page 15);
- the minimum monthly payment;
- what happens if you make your payments late;
- other features such as introductory offers (see page 10);
- the order of transactions and how your payment will be applied; and
- how to make a complaint if you have a problem with your credit card.

A credit card agreement is a legally binding contract. Make sure you understand all its terms and conditions before you use your card. And if something isn't completely clear to you, ask questions!

For additional help on how to choose credit card that works best for you, see *Your Credit Card Checklist* on page 19, or use the *Worksheet to Help You Choose a Credit Card* provided in this kit.

Table 1: Specialized Credit Cards

Type of Card	Main Purpose	Features	Choose If...	Comparison Tables
U.S. Dollar	Lets you make purchases in U.S. dollars	• **Annual interest rate around 18%** • Usually has an annual fee • May offer additional benefits such as accident and car rental insurance	• You normally **pay your balance off in full** each month • You often shop in the U.S. • You have a U.S. bank account from which you can pay your credit card bill	**U.S. Dollar Cards + Service Fees on Visa, MasterCard and American Express Credit Card Transactions**
Secured	Can help you establish or improve your credit rating	• **Annual interest rate around 20%** • Requires a deposit to secure your credit limit • May have a start-up fee • Generally has monthly maintenance fees	• You need to build a credit rating or rebuild a poor credit rating • You are having difficulty obtaining other types of credit cards	**Secured Cards + Service Fees on Visa, MasterCard and American Express Credit Card Transactions**
Retail	Can offer discounts or reward programs at a specific store or retailer	• **Annual interest rate around 28%** • Generally has no annual fee • **Can usually be used only at the issuing retailer or a limited number of stores** • Calculation of interest is often complex • Some retailers charge you less interest by calculating it from the statement date instead of the purchase date, or if you pay at least 50% of the balance	• You normally **pay your balance off in full** each month • You often shop at a specific retailer • You can take advantage of the benefits the retailer offers	**Retail Cards + Service Fees on Retail Credit Card Transactions**
Charge	Has an unlimited credit limit	• **Must pay entire balance off each month** • Generally has a high annual fee • High penalty interest rate for late payments (usually around 30%) • Often has a longer grace period than other cards • Often has reward programs • Can usually be used only at the issuing retailer or a limited number of stores	• If you **pay your balance off in full** each month • If you can benefit from options such as unlimited credit or reward programs	**Charge Cards + Service Fees on Visa, MasterCard and American Express Credit Card Transactions**

Flowchart 1

Answer the two questions below to find what type of card is right for you.

1. Are you a student with a limited income?

❑ Yes.

A student credit card may be right for you.

- **If you carry a balance** (if you don't pay the balance in full each month), a low interest rate is important. You should consider a **low-rate** student card.

- **If you don't carry a balance**, the interest rate is less important. You should consider a **regular-rate** student card.

❑ No.

Go to Question 2 on the next page.

Comparison Tables	Low-Rate Student Card Features
Student Cards (Low-Rate) + Service Fees on Visa, MasterCard and American Express Credit Card Transactions	• Geared specifically to students with lower income • Credit limit usually around $500 • **Annual interest rate around 12%** • Generally has an annual fee. Make sure your savings on the interest outweigh your annual fee. To learn more about saving money with a low-rate card, see ***Managing Your Money***, available in this kit. • Can help build a credit history • Often has reward programs such as discounts in bookstores or clothing stores

Comparison Tables	Regular-Rate Student Card Features
Student Cards (Regular-Rate) + Service Fees on Visa, MasterCard and American Express Credit Card Transactions	Same features as above, except: • **Annual interest rate is around 18%** • Generally has no annual fee

Flowchart 1 (continued)

2. Do you need special insurance options, such as car rental insurance or medical travel insurance?

❑ Yes.

A Gold or Platinum credit card may be right for you.

- **If you carry a balance** (if you don't pay the balance in full each month), a low interest rate is important. You should consider a **low-rate** Gold or Platinum card.

- **If you don't carry a balance**, the interest rate is less important. You should consider a **regular-rate** Gold or Platinum card.

❑ No.

Go to the next page.

Comparison Tables	Low-Rate Gold and Platinum Card Features
Gold Cards (Low-Rate) or Platinum Cards (Low-Rate) + Service Fees on Visa, MasterCard and American Express Credit Card Transactions	• **Annual interest rate around 12%** • Generally, the higher the annual fee, the more benefits associated with the card • Generally has a credit limit of at least $2,500 (Gold) or $5,000 (Platinum) • Requires a higher minimum income • Usually offers reward programs • Often offers additional benefits such as medical and accident insurance • Make sure your savings on the interest outweigh your annual fee. To learn more about saving money with a low-rate card, see ***Managing Your Money***, available in this kit.

Comparison Tables	Regular-Rate Gold and Platinum Card Features
Gold Cards (Regular-Rate) or Platinum Cards (Regular-Rate) + Service Fees on Visa, MasterCard and American Express Credit Card Transactions	Same features as above, except: • **Annual interest rate is around 18%**

If you don't need a card with Gold or Platinum features, a standard credit card is probably right for you.

- **If you carry a balance** (if you don't pay the balance in full each month), a low interest rate is important. You should consider a **low-rate standard** card.

- **If you don't carry a balance**, the interest rate is less important. You should consider a **regular-rate standard** card.

Comparison Tables	Low-Rate Standard Card Features
Standard Cards (Low-Rate) + Service Fees on Visa, MasterCard and American Express Credit Card Transactions	• **Annual interest rate around 12%** • Generally has an annual fee. Make sure your savings on the interest outweigh your annual fee. To learn more about saving money with a low-rate card, see ***Managing Your Money***, available in this kit. • May offer reward programs

Comparison Tables	Regular-Rate Standard Card Features
Standard Cards (Regular-Rate) + Service Fees on Visa, MasterCard and American Express Credit Card Transactions	• **Annual interest rate around 18%** • Generally has no annual fee • Often has reward programs

Understanding Low Introductory Rates

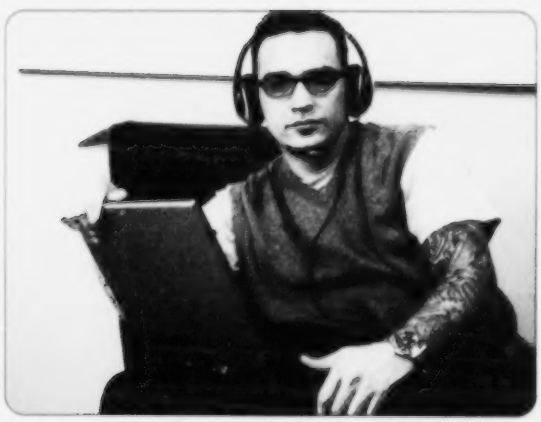
Credit card issuers frequently offer an attractive introductory interest rate on newly issued cards, or on balance transfers to your existing card. If you tend to carry a balance on a credit card, this kind of offer may save you money.

However, you should realize that these low rates generally apply for a *limited time only*. As soon as the introductory period ends, the rate increases to the card's regular rate. To find out what the regular rate is, ask the issuer or refer to the comparison tables in this kit.

Before applying for an introductory offer, make sure you understand its terms and conditions. Ask the credit card issuer:

- what types of transactions the introductory rate applies to;
- when the introductory period will end;
- what the interest rate will be after the introductory period ends;
- whether the introductory rate will end if you make a late payment or go over your card's credit limit;
- what the order of transactions is and how your payment will be applied; and
- whether any other fees or conditions apply.

Don't base your credit card decision solely on one factor such as an attractive introductory rate. Make sure you understand all the features and conditions of a card before you accept it.



Getting the Most from Low Introductory Rates

Before you accept a credit card with a low introductory rate, find out which types of transactions the offer applies to. If the low introductory rate applies only to balance transfers and/or cash advances (and not to purchases), limit your new purchases until you pay off the transfers and the advances. This will save you money in the long run.

If you make purchases while carrying a balance, you may reduce the money you can save on your transfers and advances. There are two reasons for this.

You'll lose the interest-free period on new purchases

If you don't pay off your entire balance at the end of the first month (including all purchases, cash advances and balance transfers), you lose the interest-free period on new purchases (see pages 15 to 17 for an explanation of interest-free periods). This means that you begin paying interest on your new purchases from the date you make them or, in some cases, from the day they are posted to your account. The interest is usually at the credit card's regular and higher rate.

Your payments will be applied to the lower-interest-rate balance first

Most institutions apply your payments to balance transfers and cash advances before they apply them to purchases. This is called the "order of transactions" related to payments.

If you make a cash advance or balance transfer at a low introductory rate, and then purchase something, you end up reducing your potential savings. This is because you're paying off the lower-interest-rate debt (your transfer or advance) first, while carrying the higher-interest-rate debt (your purchase) for a longer time.

However, the order of transactions may vary from one institution to another. Ask your credit card issuer to explain how its order of transactions applies to your payments.

Example: Getting the Most from Low Introductory Rates

In both of the following cases:

- On May 1, you transfer a balance of $5,000 from an old card to a new one to benefit from the low introductory rate.
- Your new card has a 6 per cent introductory rate on balance transfers, and an 18 per cent interest rate on purchases.
- Your payments are applied first to balance transfers, then to purchases.
- **You'll have a $5,000 balance remaining, but you'll pay $9.06 less interest in Case 1.**

Case 1:

- You make **no other purchases** during the month.
- You'll pay **$25.47** in interest charges.

Case 2:

- A few days after the transfer, you make a **purchase of $1,000** on your new card.
- The day after your purchase, you make a **partial payment of $1,000** to bring the balance back to $5,000.
- You'll pay **$34.53** in interest charges.

Case 1: No other purchases	Outstanding balance
May 1: Balance transfer	$5,000
May 31: Outstanding balance	**$5,000**
Interest rate on balance transfer	6%
Interest charged for May	**$25.47***

* $5,000 x (6% interest rate ÷ 365 [days in a year] x 31 days) = $25.47

	Outstanding balance	
Case 2: Additional purchase of $1,000	From the balance transfer	From the purchase
May 1: Balance transfer	$5,000	
May 5: Purchase of $1,000		$1,000
May 6: Partial payment of $1,000 (applied to balance transfer)	$4,000	
May 31: Total outstanding balance = $5,000	**$4,000**	**$1,000**
Interest rate on each balance	6%	18%
Interest charged for May	$21.21*	$13.32**
Total interest charged for May	**$34.53**	

* Balance transfer: [$5,000 x (6% interest rate ÷ 365 [days in a year] x **5** days) + $4,000 x (6% interest rate ÷ 365 [days in a year] x **26** days)] = $21.21

** Purchase: [$0 x (18% interest rate ÷ 365 [days in a year] x **4** days) + $1,000 x (18% interest rate ÷ 365 [days in a year] x **27** days)] = $13.32

Example: Getting the Most from Low Introductory Rates

In both of the following cases:

- On May 1, you transfer a balance of $5,000 from an old card to a new one to benefit from the low introductory rate.
- Your new card has a 6 per cent introductory rate on balance transfers, and an 18 per cent interest rate on purchases.
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Case 2: Additional purchase of $1,000	**Outstanding balance**	
	From the balance transfer	From the purchase
May 1: Balance transfer	$5,000	
May 5: Purchase of $1,000		$1,000
May 6: Partial payment of $1,000 (applied to balance transfer)	$4,000	
May 31: Total outstanding balance = $5,000	**$4,000**	**$1,000**
Interest rate on each balance	6%	18%
Interest charged for May	$21.21*	$13.32**
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* **Balance transfer:** [$5,000 x (6% interest rate ÷ 365 [days in a year] x **5** days) ÷ $4,000 x (6% interest rate ÷ 365 [days in a year] x **26** days)] = $21.21

** **Purchase:** [$0 x (18% interest rate ÷ 365 [days in a year] x **4** days) ÷ $1,000 x (18% interest rate ÷ 365 [days in a year] x **27** days)] = $13.32

How Interest Charges Are Calculated

If you always pay the amount owing on your credit card by the payment due date, you never have to pay interest.

If you don't pay the amount owing on your credit card in full, by the due date, your credit card issuer will charge you interest depending on the type of transaction: a new purchase, a previous purchase, a cash advance or a balance transfer.

New purchases

- These are purchases that appear on your monthly statement for the first time.
- They can be interest-free under certain conditions (see the section on interest-free periods on page 15).

Previous purchases

- These are purchases that were listed on a previous statement and not paid off.
- You're charged interest from the date you made these purchases until they're paid for in full. Some credit card issuers charge interest from the date the purchases are posted to your account.

Cash advances and balance transfers

- You're charged interest from the date you made the cash advance or balance transfer.
- You don't benefit from an interest-free period on these transactions.

When your credit card company calculates the interest you owe, it normally uses either the "average daily balance method" or the "daily balance method". Although the two methods differ in their way of calculating interest, they generally yield the same interest charge. To find out which method your credit issuer uses, check your credit card agreement or contact the issuer.

Here's how both methods work:

Average daily balance method

The average daily balance on your credit card is the balance you carried during the billing period, averaged by the number of days in the billing period (usually 30 or 31). Your average daily balance is calculated at month's end by adding the balance at the end of each day, then dividing the total by the number of days in the billing period. To calculate the interest charged for the month, you multiply the average daily balance by the daily interest rate (obtained by taking the annual interest rate and dividing by the number of days in the year [365]); then you multiply the result by the number of days in the billing period.

Daily balance method

Whereas the average daily balance method only makes a month-end calculation of the interest owed, this method calculates interest owed at the end of each day of the billing period. To calculate the daily interest charge, you multiply the daily balance by the daily interest rate (obtained by taking the annual interest rate and dividing by the number of days in the year [365]). Next, add up the resulting daily interest charges to obtain the amount of interest charged for the month.

Example: Methods of Calculating Interest

The following example shows how the two methods work.

Mrs. Smith received her new credit card on January 1. On January 3, she made a purchase of $3,000. Her January statement, which covers her transactions between January 1 and January 31 (a 31-day billing period), has a payment due date of February 19.

Let's assume that Mrs. Smith didn't pay her bill in full, by the due date. This means that the grace period didn't apply to her new purchase, so interest is calculated from the purchase date of January 3. (For an explanation of why the grace period didn't apply, go to page 16.)

Let's assume also that Mrs. Smith didn't buy anything on her credit card during February. When her February statement arrives, it shows a charge of approximately $41 in interest for the month, based on an annual interest rate of 18.5%. The daily interest rate of 0.05068%, shown in the calculations below, is the annual interest rate divided by the number of days in the year (18.5% ÷ 365).

	Average Daily Balance Method	Daily Balance Method
January 1 to January 4 – No transactions	$0 for 4 days	$0 x (0.05068%)[1] = $0 $0 x 4 days = $0
January 5 to January 31 – Purchase of $3,000	$3,000 for 27 days	$3,000 x (0.05068%)[1] = $1.52 $1.52 x 27 days = $41.05
Calculation of Average Daily Balance	($0 x 4 days) + ($3,000 x 27 days) / 31 days in the billing period = Average daily balance of **$2,612.90**	Not applicable
Total Interest Charged[1]	Average daily balance x Daily interest rate x Number of days in the billing period = $2,612.90 x 0.05068% x 31 days = **$41.05**	$0 + $41.05 = **$41.05**

[1] The average daily balance and daily balance methods generally yield the same interest charge.

Example: Methods of Calculating Interest

The following example shows how the two methods work.

Mrs. Smith received her new credit card on January 1. On January 5, she made a purchase of $3,000. Her January statement, which covers her transactions between January 1 and January 31 (a 31-day billing period), has a payment due date of February 19.

Let's assume that Mrs. Smith didn't pay her bill in full, by the due date. This means that the grace period didn't apply to her new purchase, so interest is calculated from the purchase date of January 5. (For an explanation of why the grace period didn't apply, go to page 16.)

Let's assume also that Mrs. Smith didn't buy anything on her credit card during February. When her February statement arrives, it shows a charge of approximately $41 in interest for the month, based on an annual interest rate of 18.5%. The daily interest rate of 0.05068%, shown in the calculations below, is the annual interest rate divided by the number of days in the year (18.5% ÷ 365).

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[1] The average daily balance and daily balance methods generally yield the same interest charge.

Understanding the Interest-Free Period on New Purchases

You benefit from an interest-free period when you buy something with your credit card and the credit card company doesn't start charging you interest on the purchase right away. In other words, you're getting credit without having to pay for it. Be careful, the interest-free period doesn't always apply to your new purchases. See the section "Determining If the Interest-Free Period Applies" for more information.

It's important to remember that the interest-free period doesn't apply to balance transfers or cash advances. With these transactions, interest is charged immediately.

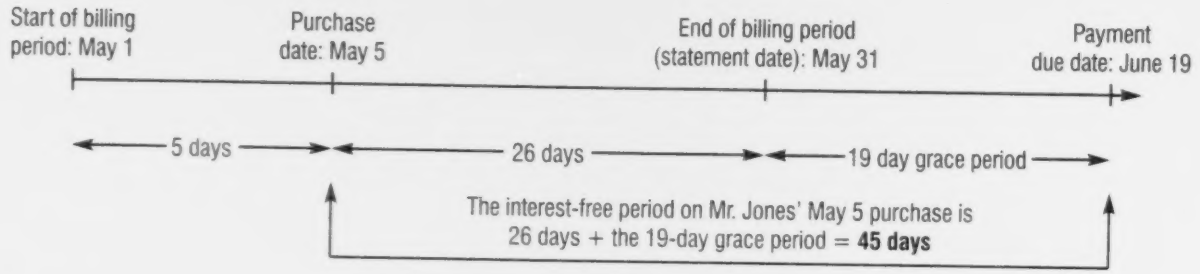
The interest-free period on new purchases starts on the date you make a purchase and ends when the credit card issuer begins charging you interest on that purchase. The interest-free period has two parts:

- the time between the purchase and your statement date; and
- the time between your statement date and your payment due date. This is called the grace period, and can vary from 15 to 26 days. To find out the length of the grace period for your credit card, see the comparison tables provided with this kit or ask your credit card issuer.

Here's an example of an interest-free period:

- Mr. Jones' statement covers transactions he made between May 1 and May 31 (31-day billing period).
- Mr. Jones made a new purchase on May 5.
- His payment due date is June 19. Therefore, the grace period provided by his credit card issuer is 19 days.

The total interest-free period on the purchase Mr. Jones made on May 5 is 45 days, but it only applies if he meets certain conditions (see "Determining If the Interest-Free Period Applies" on page 16).


Start of billing period: May 1
Purchase date: May 5
End of billing period (statement date): May 31
Payment due date: June 19
5 days
26 days
19 day grace period
The interest-free period on Mr. Jones' May 5 purchase is 26 days + the 19-day grace period = 45 days

Determining If the Interest-Free Period Applies

Credit card issuers use one of two methods to decide whether the interest-free period applies to your new purchases:

- **Method 1: With this method, the interest-free period applies** to your new purchases only if you pay your current month's balance in full, by the due date.
- **Method 2: With this method, the interest-free period** applies to your new purchases only if you pay your current month's balance in full, by the due date, and you have also paid your previous month's balance in full, by the due date (in other words, you're not carrying a balance from the previous month).

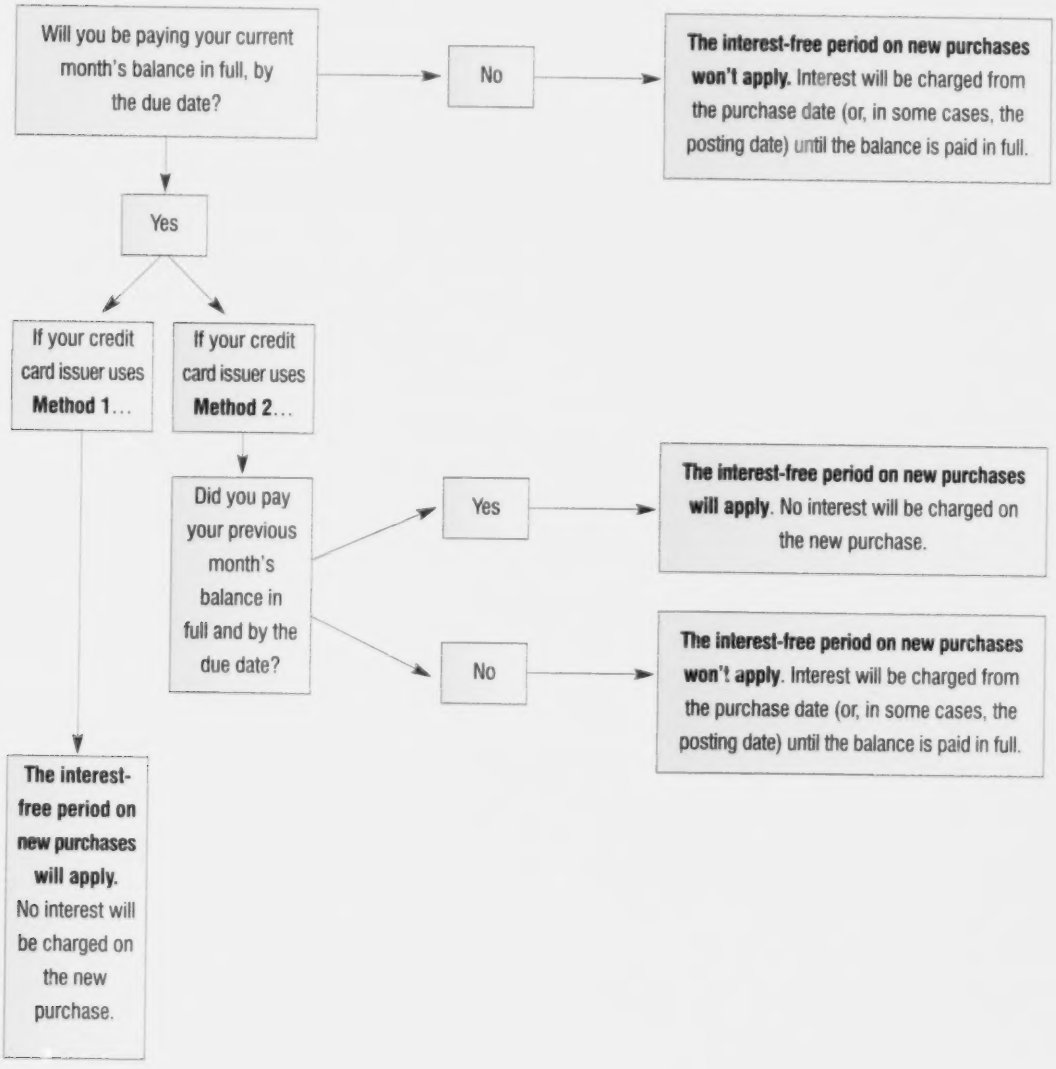
As an example, let's look at Mr. Jones. He didn't pay his April balance in full, so he carried a balance of $2,000 from that month. On May 5, he made a new purchase of $1,000. He paid his new balance in full, by the due date shown on his statement (June 19). Here's how the two different methods would affect him.

- **If Mr. Jones' credit card issuer uses Method 1**
  Mr. Jones will have to pay interest only on the $2,000 carried over from April. He will get the interest-free period on his new purchase of $1,000, because he paid his current balance in full, by the due date of June 19.
- **If Mr. Jones' credit card issuer uses Method 2**
  Mr. Jones will have to pay interest on the $2,000 carried over from April and on the new purchase of $1,000, because Mr. Jones carried a balance over from April.

To find out which method your credit card issuer uses, ask your issuer or refer to the comparison tables provided in this kit.

Flowchart 2

Follow the flowchart below to find out whether the interest-free period applies to your new purchases. Remember to check the comparison tables provided with this kit to see whether your credit card issuer uses Method 1 or Method 2.


Will you be paying your current month's balance in full, by the due date?
No
The interest-free period on new purchases won't apply. Interest will be charged from the purchase date (or, in some cases, the posting date) until the balance is paid in full.
Yes
If your credit card issuer uses **Method 1**...
If your credit card issuer uses **Method 2**...
Did you pay your previous month's balance in full and by the due date?
Yes
The interest-free period on new purchases will apply. No interest will be charged on the new purchase.
No
The interest-free period on new purchases won't apply. Interest will be charged from the purchase date (or, in some cases, the posting date) until the balance is paid in full.
The interest-free period on new purchases will apply. No interest will be charged on the new purchase.

Tips to Help You Save Money

There are lots of ways to get the best value from your credit card and avoid situations that might cost you money.

Ask questions

If you're puzzled about some aspect of your credit card, ask your credit card issuer about it. Their answer may help you make better financial choices.

Don't base your credit card choice on just one factor

Low introductory rates or reward programs may not be what you really need. Look for the package that best suits your overall financial situation.

If possible, pay your balance in full each month

If you can't, transfer the balance to a form of credit with a lower annual interest rate, such as a line of credit. If you do this every month, you'll always benefit from the grace period on your credit card. In your monthly budget, include the amount needed to pay off your outstanding balance as quickly as possible.

Make early payments between statements

If you carry a balance on a credit card, interest is normally charged from the date you make a purchase until you pay it in full. Making an early payment will save you interest charges. For more information on how to save money by paying your bills early, see ***Managing Your Money: How to Save with a Credit Card***, available in this kit.

Take cash advances only when absolutely necessary

Use cash advances for short-term or emergency situations only. That's because interest on advances is charged from the time you borrow until the time you pay the advance in full. In addition, there are usually service fees associated with a cash advance. If you *must* take a cash advance, make a payment to your credit issuer as soon as possible. This will avoid daily interest charges, which add up in a hurry.

Allow time for your payment to reach your credit card company

If you don't, you may end up making a late payment that could affect whether the interest-free period applies to your new purchases, and could also negatively affect your credit history. For more information on the effects of late payments, see ***Managing Your Money: How to Save with a Credit Card***, available in this kit.

Take advantage of pre-authorized payments

Consider making your monthly credit card payments automatically from your bank account to ensure that your payments are never late. But remember to keep track of these payments so that your account always has enough money to cover them. For more information on pre-authorized payments, see ***Managing Your Money: How to Save with a Credit Card***, available in this kit.

Read your statements and other mailings from your credit card company carefully

This way you'll always be up to date about any fee increases or rule changes.

Your Credit Card Checklist

Here's a handy checklist of questions you should ask yourself and the credit card issuer when you're looking for a credit card. Be sure to take these questions, and the ***Worksheet to Help You Choose a Credit Card*** provided in this kit with you when you comparison-shop.

Ask yourself:

- How much credit can I handle?
- Will I be able to pay my balance in full each month?
- Would I benefit from a rewards program?
- Am I prepared to pay an annual fee?
- Do I shop at a particular retailer often enough to benefit from their card?
- Have I shopped around for the credit card that best suits my needs?

When you're checking out the terms and conditions of the card:

- What are its annual fee or other applicable fees?
- What is the minimum monthly payment?
- What is the interest rate on purchases, cash advances and balance transfers?
- How is interest calculated?
- How long is the grace period?
- What are the consequences of late payments?
- What features or enhancements are offered?
- What customer service or support is available for the card?

When considering an introductory low-rate offer:

- To which type(s) of transactions does the introductory low rate apply?
- When does the introductory period end?
- What interest rate will apply at the end of the introductory period?
- Are there any other fees or conditions that apply to the offer?
- Will the introductory rate period end if I make a late payment or if I go over my card limit, and if so, what will the new rate be?
- What is the "order of transactions" for my payments?
- Will this "order of transactions" affect any savings I may get with a low introductory rate?

Notes

Notes

Notes

How You Can Reach Us

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Financial Consumer Agency of Canada

Agence de la consommation en matière financière du Canada

Your Rights and Responsibilities

The Cost of Borrowing with a Credit Card

If you want to know more about your rights and responsibilities when:

- You shop around for a credit card
- You receive your new card
- You receive your statement
- Your credit card agreement changes

...then this booklet is for you!

Protecting Consumers *Informing Canadians*

Canada

Disponible en français

About FCAC

The Financial Consumer Agency of Canada (FCAC) is an agency of the Government of Canada. It was created to protect the rights of consumers and inform them about financial products and services.

How We Protect You

We make sure that financial institutions regulated by the Government of Canada follow the consumer protection measures set out in federal laws and regulations. We also see to it that they respect their own codes of conduct and their commitments to you, the consumer.

If you'd like to learn more about consumer protection and about the financial industry's codes of conduct, we'd be happy to hear from you.

How We Inform You

FCAC provides information, tips and tools to help you protect your rights and find the financial products or services you need. You can get this information by calling or writing to us, by visiting our Web site or through our free publications.

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About Credit Cards and You

Credit Cards and You explains the features and costs of credit cards. It comes in a multi-piece "kit" format containing this guide and other booklets, a glossary of key terms and a worksheet to help you choose a credit card. In addition, several comparison tables help you compare the characteristics of credit cards available in Canada, including the service fees related to certain credit card transactions.

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Want to save money and avoid problems with your credit card? Understanding your credit card's benefits and risks, how your issuer calculates your interest charges and how you can benefit from introductory rates will help you make the most of your credit card. Read about this and more in ***Getting the Most from Your Credit Card***.

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It's important to know about the rights and responsibilities that come with a credit card. Doing so will save you time and money, and will help you stay out of financial trouble. ***Your Rights and Responsibilities*** tells you all about this.

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Just about everybody has a credit file, but where is it kept and is it accurate? How can you protect yourself if your card is lost or stolen? ***Playing It Safe*** answers these questions for you, and quite a few more.

Secured Credit Cards

The ***Secured Credit Cards*** comparison table includes information about secured credit cards and offers a handy comparison table of different secured credit cards available across Canada. If you've had trouble getting an unsecured credit card, the ***Secured Credit Cards*** comparison table is for you.

Credit Card Comparison Tables

The following pull-outs compare the features and costs of various credit cards available from credit card issuers across Canada:

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- U.S. Dollar Credit Cards
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- Service fees on Visa, MasterCard and American Express credit card transactions
- Service fees on retail credit card transactions.

Worksheet to Help You Choose a Credit Card

This handy pull-out is designed to make your comparison shopping easier. Take this easy-to-follow table with you to your credit card issuer and fill it in. When you're finished, you'll have the information you need to choose the best credit card for you.

Glossary of Key Terms Used in This Kit

Annual interest rate, cash advance, grace period, prime rate, security deposit ... these are all important terms that you'll find in the ***Glossary of Key Terms Used in This Kit***. Many of the terms you'll find in your credit card agreement are also defined here.

Your Rights and Responsibilities

Credit cards are handy. They're not only a convenient way to buy things, but they also help you build a good credit history. That's very important when you apply for another loan such as a mortgage or a car loan.

At the same time, using credit cards unwisely may get you into more debt than you can handle. That's why it's important to know about the rights and responsibilities that come with a credit card and to understand your card's features, terms and conditions. Doing so will save you time and money, and will help you stay out of financial trouble.

This booklet tells you about your rights and responsibilities with respect to credit cards issued by financial institutions regulated by the Government of Canada. It will also help you understand what you should look for in a credit card and will give you some tips about using credit wisely. By using the booklet's handy checklists, you will be able to quickly identify the information you need, to get the most out of a credit card.

Shopping Around for a Credit Card

When you're shopping around for a credit card, there are certain things you can expect from a credit card company. Either in the credit card application, advertisements or when you call the issuer, they must tell you:

- the card's annual interest rate, which is the interest you will have to pay on the outstanding balance on your card;
- the grace period, which is the time between the statement date and the payment due date; and
- about any other charges or fees that might apply to your use of the card.

At the same time, you're responsible for deciding whether the features of the credit card are the ones that meet your needs. Before you apply for a card, you need to find out:

- how the credit card issuer calculates interest;
- what you need to do to benefit from the grace period;
- the minimum payment you have to make each month;
- the details of a low introductory rate (if any), including what types of transactions the offer applies to and the regular interest rate after the introductory period ends; and
- any reward programs or other benefits that come with the card.

When You Receive Your New Card

When your credit card arrives, it will have a card agreement or contract with it. This agreement outlines the major terms and conditions of the card, so you should read it carefully, understand it and keep it for your records.

The card agreement must tell you:

- the card's annual interest rate;
- how the interest is calculated;
- the grace period, if any;
- how often you will receive your statements (it must be at least once a month);
- whether you have to pay the balance in full when you receive your statement, and the interest rate that applies if you don't;
- your minimum monthly payment and how it's calculated;
- your initial credit limit, unless the credit card issuer hasn't determined it yet (in this case, the issuer must give you this information with or before your first statement);
- about any optional services you may wish to have, such as credit balance insurance, and the charges for each optional service;
- any other charges or fees that may apply;
- a telephone number that you can call during business hours to obtain information about your account.

Finally, the agreement must also tell you the maximum amount you would have to pay if your credit card was lost or stolen and if someone used it illegally. This maximum amount applies only until you inform the credit card issuer that the card has been lost or stolen. As soon as you report it, you're no longer liable for any misuse of the card. This is why it's important to report a stolen or lost card *right away*.

When You Receive Your Statement

In each statement it sends you, the credit card issuer must give you the following information:

- a description of each transaction made during the period covered by the statement and the amount charged, including interest;
- the date each transaction was posted to your account;
- the amount you must pay, on or before a specified due date, to benefit from the grace period; and
- the amounts during that month for your:
  - purchases;
  - advances;
  - payments;
  - interest charges; and
  - non-interest charges.

When Your Credit Card Agreement Changes

When your credit card issuer changes any features, terms or conditions of your credit card, they must give you the details of those changes in *writing*. They must do this at least 30 days *before* the change goes into effect.

However, there are some changes to your credit card's terms and conditions that don't require advance notice. For the following changes, the issuer must inform you within 30 days *after* they take effect:

- a change to your credit limit;
- an extension of your grace period;
- a decrease in a charge that is not related to the interest rate;
- a change to any optional service you accepted; and
- if you have a variable-interest-rate card, the change to your interest rate as a result of a change in the reference rate.

The information and tips provided in this booklet will help you manage your credit card use and avoid any difficulties with your account. If a problem does arise, knowing about your rights and responsibilities will make it easier for you to understand the issue and to get it resolved quickly and easily.

How You Can Reach Us

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6th Floor, Enterprise Building
Ottawa Ontario K1R 1B9

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Publications:	*pub@fcac-acfc.gc.ca*

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Financial Consumer Agency of Canada

Agence de la consommation en matière financière du Canada

Managing Your Money

How to Save with a Credit Card

If you want to know more about...

- How to save money with a low-rate credit card or line of credit
- How to save money by paying your bills early
- Money-saving tips for using up a credit balance

...then this booklet is for you!

Protecting Consumers *Informing Canadians*

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Disponible en français

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How We Inform You

FCAC provides information, tips and tools to help you protect your rights and find the financial products or services you need. You can get this information by calling or writing to us, by visiting our Web site or through our free publications.

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Saving Money with a Low-Rate Credit Card or Line of Credit

The best way to avoid interest on your credit card is to pay off your entire balance every month. If you can't do this, you might benefit by switching to a form of credit with a lower interest rate.

- One option is a low-rate credit card. These cards usually have an annual fee, but they could be beneficial considering that their annual interest rate is around 12 per cent. Other credit cards have interest rates ranging from 16 to 28.8 per cent. Some credit card issuers can offer you the low rate without actually changing your credit card.

- Or, you could keep your higher-interest-rate credit card (it may have attractive extra features) and obtain a line of credit. A line of credit usually carries an interest rate of about 9 per cent, which is even lower than a low-rate credit card. To get the benefit of the low rate, use your line of credit each month to pay your credit card balance in full – you'll also benefit from the interest-free period on new purchases if you pay by the due date.

The following table shows how much you'd save by using a low-rate credit card or a line of credit, instead of a credit card with a higher rate of interest.

	Regular-Rate Credit Card	Low-Rate Credit Card	Line of Credit
Average monthly balance	$2,500	$2,500	$2,500
Annual interest rate[1]	x 18%	x 12%	x 8.75%
Annual interest charges	= $450	= $300	= $218.75
Annual fee[1]	+ $0	+ $20	+ $0
Total annual cost	**= $450**	**= $320**	**= $218.75**
Total annual savings[2]	–	**$130**	**$231.25**

[1] Based on the average of the six major banks, caisses and credit unions listed in the comparison tables of this kit for both regular-rate and low-rate cards. For lines of credit, the annual interest rate approximates the November 2003 industry average and will vary between institutions and with your credit rating.

[2] This example assumes you carry a constant balance of $2,500 and that you make all minimum payments on time. Otherwise, your interest rate may increase, or you may be subject to additional fees that will increase your overall costs. If you compare the low-rate card with a retail card for the same outstanding balance, the savings are even higher.

Saving Money by Paying Your Bills Early

If you can't pay your credit card balance in full by the due date, you can still save money by paying as much as you can *before* the due date. This reduces your daily balance earlier, so the interest charged on next month's statement will be based on a smaller outstanding balance. The following example shows how this cuts down on interest costs.

Example: Saving Money by Paying Your Bills Early

Mrs. Smith's credit card balance on January 20 is $3,000, and her next payment is due on February 19. Her card carries an annual interest rate of 18.5 per cent. This works out to a daily interest rate of 0.05068 per cent, which is used in the calculations in the table below. (The daily interest rate is the annual interest rate divided by the number of days in the year.)

Mrs. Smith knows she won't be able to pay the balance in full, but she has $2,000 she can use for a partial payment. Instead of waiting until February 19 to make this payment, she makes it early, on January 20. By doing so, she saves approximately $12.00 in interest payments on her February statement. The following table shows how this works.

	No Early Payment *(Using Average Daily Balance Method)*	**Early Credit Card Payment of $2,000** *(Using Average Daily Balance Method)*
Jan. 1 to Jan. 4 – No transactions	$0 for 4 days	$0 for 4 days
Jan. 5 to Jan. 19	**$0 + $3,000 purchase of Jan. 5 = $3,000 for 27 days**	$0 + $3,000 purchase of Jan. 5 = $3,000 for 15 days
Jan. 20 to Jan. 31		$3,000 – $2,000 payment of Jan. 20 = $1,000 for 12 days
Calculation of Average Daily Balance	($0 x 4 days) + ($3,000 x 27 days) / 31 days in the billing period = Average daily balance of **$2,612.90**	($0 x 4 days) + ($3,000 x 15 days) + ($1,000 x 12 days) / 31 days in the billing period = Average daily balance of **$1,838.71**
Total Interest Charged	Average daily balance x Daily interest rate x Number of days in the billing period = $2,612.90 x 0.05068% x 31 days = **$41.05**	Average daily balance x Daily interest rate x Number of days in the billing period = $1,838.71 x 0.05068% x 31 days = **$28.89**
Total Interest Saved	$0	**$12.16**

While her savings of $12.16 may not sound like a lot, Mrs. Smith has actually lowered her February interest charges by *29.6 per cent*. Over time, reducing your interest charges this way can save you a lot of money, especially if you carry a large balance every month.

Making Your Credit Card Payments

It's important to pay your credit card bill on time. If you don't, you'll face extra interest charges and possible penalties such as an increase in your interest rate. Your credit card issuer might even cancel your card.

What Happens If You Make a Late Payment

If you don't pay by the due date indicated on your statement, you'll be charged interest on the entire amount you owe until you pay it in full. This could also affect your credit history in a negative way.

In addition, if your credit issuer uses "Method 2" of applying the interest-free period, you'll automatically lose the interest-free period on any new purchases that appear on your next statement. This means that, next month, you'll pay interest on all your new purchases, even if you pay that bill on time and in full. *For an explanation of Method 2, see* ***Getting the Most from Your Credit Card****, available in this kit.*

How to Make Sure Your Payment Is Not Late

Because it's so important to make your credit card payment by the due date, it's a good idea to know how long it will take to process the payment. For example, if you make a payment on a weekend or holiday, it isn't processed until the first business day following that weekend or holiday. Knowing about these delays will help you make your payments on time.

To find out how long it will take to process your payment, look at the following payment options. Since these examples describe the usual amount of time to process a payment, check with your credit card issuer to see whether their processing times are the same.

Option 1: Sending a cheque by regular mail

Allow four to five business days (Monday to Friday, except for statutory holidays) for your bill payment to reach the credit card issuer. Your credit card issuer will usually deposit your cheque on the date it is received (provided it is a business day) and will consider that you have paid it on that date, unless the cheque is post-dated.

Tips

- Some credit issuers accept post-dated cheques. In this case, send your payment as soon as you get your credit card statement.
- If you don't use a post-dated cheque, send your payment well in advance of the due date on your statement.
- Make sure your account contains enough money to cover the cheque. If the cheque is returned because of non-sufficient funds (NSF), you'll be charged interest on the amount you owe until you pay it in full. You may also be charged NSF fees by the card issuer and your financial institution.

Option 2: Visiting a Teller at a Financial Institution

If you pay **by cash, by a withdrawal** from your account or by **cheque** the teller will stamp the payment date on your statement and stub (the tear-off portion of your statement). You're considered to have made your bill payment on that date. Payments made during extended banking hours (on a weekend or after approximately 3 p.m.) will be **considered as having been made the next business day.**

Tips

- Before you visit a teller, make sure you know which financial institutions will accept your bill payment. Ask your credit card issuer or refer to your statement.
- If you pay by cheque, make sure your account contains enough money to cover it. If the cheque is returned because of non-sufficient funds (NSF), you'll be charged interest on the amount you owe until you pay it in full. You may also be charged NSF fees by the card issuer and your financial institution.

Option 3: Using an Automated Banking Machine (ABM)

If you do not have **to deposit the stub** (your bill payments automatically appear on the screen) you will be considered to have made your payment **on that day**, provided you made the payment before 3:00 p.m. If you are **paying after hours** (on a weekend, holiday or after 3:00 p.m.), your credit card payment **will be considered as having been paid the next business day**.

If you are **depositing the stub** in an envelope, you are considered to have made your payment **the next business day**. This is because branch staff need time to empty the ABMs and verify the contents of the envelopes.

Option 4: Using Telephone or Internet Banking

If you make a payment during business hours (before 3 p.m.), **you are considered to have made your bill payment on that date**. If you are **paying after hours** (on a weekend, holiday or after 3:00 p.m.) your credit card payment **will be considered as having been paid on the next business day.**

Option 5: Using a Pre-Authorized Payment Agreement

To pay your credit card bill using this method, you must sign a **pre-authorized payment agreement** authorizing the credit card issuer to withdraw the money directly from your bank account. The agreement outlines the terms and conditions related to withdrawals from your account. Among other things, the agreement indicates:

- the amount to be withdrawn each month, and whether this is a fixed amount or if it will vary depending on your credit card balance (the total balance you owe, or just the minimum payment required);
- the date on which the amount will be taken from your account.

Your bill payment **will be made on the due date** indicated on your statement, because the credit card issuer will withdraw the funds directly from your bank account on that day.

Tips

- Keep track of your payments to ensure you have enough money in your account to cover all of your withdrawals. If your pre-authorized debit payment is returned for non-sufficient funds (NSF), you will be charged interest on the amount you owe until you pay in full. You may also be charged NSF fees by the credit card issuer and your financial institution.
- If you decide to cancel your pre-authorized payment agreement, you must send a written notice of this to the credit issuer. Keep a copy for your files.

How to Use Up a Credit Balance

If your credit card bill payment is larger than your outstanding balance, you'll end up with a credit balance in your credit card account. This can happen if:

- you were not sure of how much you owed (for example, if you lost your statement or were on vacation when your statement arrived) and paid more to cover the balance, or
- you returned a purchase after the statement date, and didn't use up the money refunded by making other purchases.

Some card issuers will send you a cheque if the balance has been sitting in your account for a certain period of time. Other issuers may offer this service if you ask for it, but you may be charged a fee.

If you don't receive a cheque, you are best to use up this credit balance by making essential purchases on your credit card, such as groceries or gas.

Or, you can make a cash withdrawal from an automated banking machine (ABM). However, doing this may cost more than you think. This is because your transaction will be considered a cash advance, and the following charges could apply:

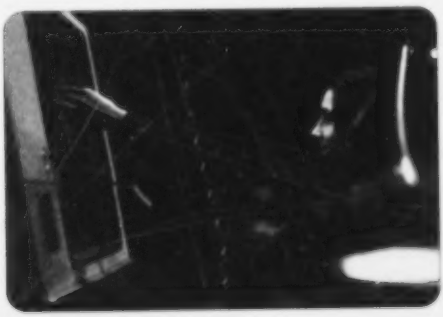
- a transaction fee of up to 4 per cent of the amount advanced, depending on the credit card issuer (*for more details, see the* ***Service Fees*** *comparison tables included in this kit*);
- interest charges on this cash advance, from the day you make the transaction until you pay the amount in full.

The following example shows you how this works.

Example: Withdrawing Your Credit Balance by Taking a Cash Advance

Statement Date	Details
Apr. 30	Natalie's April credit card statement shows that she has a $500 credit.
May 5	Natalie decides to go to an ABM to withdraw the $500.
May 31	Natalie's May statement shows the following charges: $ 500.00 cash advance (May 5) +$ 5.00 cash advance fee +$ 6.59[1] interest on the $500 cash advance –$ 500.00 CR (credit balance) **=$ 11.59** **Natalie now owes $11.59** because she used a cash advance to draw against a credit balance on her account.

[1] 18.5 per cent annual interest rate, calculated over 26 days (May 5 to May 31)



Will You Earn Interest on a Credit Balance?

You don't usually earn interest on a credit balance. And, if you leave your credit balance sitting in your account for an extended period of time, you may be charged an "inactive account" fee. *For more details, see the* ***Service Fees*** *comparison tables included in this kit.*

Money-saving Tips for Using Up a Credit Balance

- Know what fees apply to your credit card, especially fees for cash advance transactions and inactive accounts. Read your credit card agreement carefully or see the ***Service Fees*** comparison tables included in this kit.
- Instead of taking a cash advance against a credit card balance, use the credit up by making essential purchases such as groceries or gas.

Notes

Notes

How You Can Reach Us

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Ottawa Ontario K1R 1B9

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Fax (toll-free): 1-866-814-2224
Web site: www.fcac-acfc.gc.ca

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Financial Consumer Agency of Canada

Agence de la consommation en matière financière du Canada

Playing It Safe

How to Protect Your Credit Card and Credit History

If you want to know more about...

- Understanding your credit history
- Correcting an error on your credit file
- Protecting yourself from unauthorized transactions on your credit card
- What to do if you find unauthorized transactions on your account

...then this booklet is for you!

Protecting Consumers *Informing Canadians*

Canada

Disponible en français

About FCAC

The Financial Consumer Agency of Canada (FCAC) is an agency of the Government of Canada. It was created to protect the rights of consumers and inform them about financial products and services.

How We Protect You

We make sure that financial institutions regulated by the Government of Canada follow the consumer protection measures set out in federal laws and regulations. We also see to it that they respect their own codes of conduct and their commitments to you, the consumer.

If you'd like to learn more about consumer protection and about the financial industry's codes of conduct, we'd be happy to hear from you.

How We Inform You

FCAC provides information, tips and tools to help you protect your rights and find the financial products or services you need. You can get this information by calling or writing to us, by visiting our Web site or through our free publications.

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About Credit Cards and You

Credit Cards and You explains the features and costs of credit cards. It comes in a multi-piece "kit" format containing this guide and other booklets, a glossary of key terms and a worksheet to help you choose a credit card. In addition, several comparison tables help you compare the characteristics of credit cards available in Canada, including the service fees related to certain credit card transactions.

Throughout these booklets you will find references to the kit. If you have not received the full kit and would like to, please contact FCAC for your free copy.

The other documents available as part of the ***Credit Cards and You*** kit are:

Getting the Most from Your Credit Card: Understanding the Terms and Conditions

Want to save money and avoid problems with your credit card? Understanding your credit card's benefits and risks, how your issuer calculates your interest charges and how you can benefit from introductory rates will help you make the most of your credit card. Read about this and more in ***Getting the Most from Your Credit Card***.

Your Rights and Responsibilities: The Cost of Borrowing with a Credit Card

It's important to know about the rights and responsibilities that come with a credit card. Doing so will save you time and money, and will help you stay out of financial trouble. ***Your Rights and Responsibilities*** tells you all about this.

Managing Your Money: How to Save with a Credit Card

Do you want to lower your interest rate, use up your credit balances wisely and make sure your monthly payments are never late? ***Managing Your Money*** will show you how.

Playing It Safe: How to Protect Your Credit Card and Credit History

Just about everybody has a credit file, but where is it kept and is it accurate? How can you protect yourself if your card is lost or stolen? ***Playing It Safe*** answers these questions for you, and quite a few more.

Secured Credit Cards

The ***Secured Credit Cards*** comparison table includes information about secured credit cards and offers a handy comparison table of different secured credit cards available across Canada. If you've had trouble getting an unsecured credit card, the ***Secured Credit Cards*** comparison table is for you.

Credit Card Comparison Tables

The following pull-outs compare the features and costs of various credit cards available from credit card issuers across Canada:

- Standard Credit Cards (low-rate and regular-rate)
- Gold Credit Cards (low-rate and regular-rate)
- Platinum Credit Cards (low-rate and regular-rate)
- U.S. Dollar Credit Cards
- Student Credit Cards (low-rate and regular-rate)
- Secured Credit Cards
- Retail Credit Cards
- Charge Cards

The following two tables compare the service fees from various credit card issuers that are applicable to certain credit card transactions:

- Service fees on Visa, MasterCard and American Express credit card transactions
- Service fees on retail credit card transactions.

Worksheet to Help You Choose a Credit Card

This handy pull-out is designed to make your comparison shopping easier. Take this easy-to-follow table with you to your credit card issuer and fill it in. When you're finished, you'll have the information you need to choose the best credit card for you.

Glossary of Key Terms Used in This Kit

Annual interest rate, cash advance, grace period, prime rate, security deposit … these are all important terms that you'll find in the ***Glossary of Key Terms Used in This Kit***. Many of the terms you'll find in your credit card agreement are also defined here.

Understanding Your Credit History

If you have ever taken out a bank loan, had a mortgage or used a credit card, you have a credit history. In Canada, your credit history, along with the credit histories of millions of other people, is recorded in files maintained by three major credit bureaus: Equifax, TransUnion and Northern Credit Bureaus Inc. Your credit file will be held by at least one of them.

As you use credit with banks, credit card companies and other businesses, they send information about your payment record to the bureaus, and this information becomes part of your credit history. This history paints a picture of your past and current financial situation. It contains records of:

- your recent place(s) of residence;
- your employment history;
- your current debts;
- whether you pay your bills on time;
- whether you have been denied a loan by a financial institution in the past; and
- your history of bankruptcy, if any.

When you sign a document such as a lease or a credit card application, you are authorizing the other party to verify your credit history.

Checking Your Credit File

You should request a copy of your credit file at least once a year and check it for accuracy. The credit bureaus usually provide copies free of charge if you request that they be sent to you by mail. There is usually a small fee if you make the request on the Internet.

To obtain a copy of your credit file, contact Equifax, TransUnion and Northern Credit Bureaus Inc.:

Equifax Canada
www.equifax.ca
Tel. (toll-free): 1-800-465-7166

TransUnion Canada
www.tuc.ca
Tel. (toll-free): 1-866-525-0262
or in Quebec (toll-free): 1-877-713-3393

Northern Credit Bureaus Inc.
www.creditbureau.ca
Fax (toll-free): 1-800-646-5876

Correcting an Error on Your Credit File

If you feel that the information in your file is incorrect, you may contact the credit bureau directly to have it investigated further. Before making a correction on your credit file, however, the bureau will have to contact the organization that reported the information to confirm whether or not an error has been made.

Credit bureaus are subject to provincial legislation. In most provinces, credit bureaus must resolve disputes within 30 days. This means that once the credit bureau has contacted the organization that reported the information, if they confirm that an error has been made, they have 30 days to correct your credit file. If the bureau confirms that the information has been reported accurately but you are still not satisfied with the result, you can submit a brief statement, explaining your position. This will be added to your credit file.

To avoid delays in correcting errors on your credit file, you can contact the organization that provided the incorrect information (your financial institution or your credit card issuer) and ask that they correct the error with the credit bureau. If your financial institution will not correct the error, you may ask them about their complaint-handling process. Financial institutions that are regulated by the Government of Canada are required, by law, to have such a process in place. This process is designed to resolve disputes between consumers and their financial institutions. For information regarding your financial institution's complaint-handling process, contact FCAC toll-free at: 1-866-461-3222, or contact your branch directly.

Building a Credit History with a Credit Card

When you apply for a credit card, the card issuer checks your credit history with one or more of the credit bureaus. Issuers do this to find out whether you're likely to pay back the money you borrow using the card.

Once your application is approved and you start using your card, the issuer reports the activity on your card to the credit bureaus. For example, the issuer will tell the bureaus your outstanding balance and whether you're making the required monthly payments on time. This information helps you build a credit history and establish a credit rating.

It's *very* important to have a good credit history! If you don't, lenders may refuse to give you a loan (such as a mortgage, car loan or another personal loan). If they *do* give you a loan, they may charge you a higher interest rate for it. A poor credit history can affect your life in other ways, too. For example, landlords can find out your credit history, and a poor credit history may prevent you from getting a lease on an apartment.

How to Build and Maintain a Good Credit History

There are many things you can do to build and maintain a good credit history. Here are the most important do's and don'ts.

Do's

- Always try to pay your bills on time.
- Pay at least the required minimum monthly payment shown on your statement.
- Contact your creditors if you're having trouble making payments.
- Make sure your monthly account statement doesn't contain errors.
- Read your statements and other mailings from your credit card company carefully – this way you'll always be up to date about any fee increases or rule changes.
- Request your credit file from the credit bureaus at least once a year and make sure it is accurate.
- Deal with companies you know and trust.

Don'ts

- Never accept or use any form of credit until you understand and are comfortable with its terms and conditions. This will avoid misunderstandings between you and the credit issuer.
- Never wait to report unauthorized transactions on your account. Contact your credit issuer immediately.
- Never exceed the credit limit on your credit card.

Protecting Yourself from Unauthorized Transactions

If your credit card or your credit card account number falls into the wrong hands, you may suffer a great deal of inconvenience and possible financial loss. Here are some simple ways to protect yourself:

- As soon as you receive a new credit card, sign the back. Cancel and destroy any cards you no longer need.
- Make sure your monthly credit card statement lists only the transactions you made during the month. If you notice any unauthorized transactions, report them immediately to your credit card issuer.
- Don't give personal information or your credit card account number over the phone or the Internet unless you're dealing with a company you know and trust.
- Keep your personal information safe. This includes your date of birth, your social insurance number (SIN) and all your other personal identification.
- Request your credit file from the credit bureaus at least once a year to make sure it's accurate.
- Keep any record of your personal identification number (PIN) separate from your credit card and never disclose it to anyone.

What to Do If You Find Unauthorized Transactions on Your Account

If you find unauthorized transactions on your credit card account, follow these steps to find out whether you can be reimbursed:

1. **Contact your credit card issuer** immediately and report the unauthorized transactions. Also inform your local police.

2. **Check your credit card agreement.** By law, your agreement must explain your maximum liability (usually $50) in the case of lost or stolen credit cards, or the unauthorized use of your credit card account number.

3. **Find out if your credit card issuer has what is known as a "zero-liability policy" on unauthorized transactions.** Visa, MasterCard and American Express cardholders are protected beyond the maximum liability found in their credit card agreements. This is done through a public commitment that Visa, MasterCard and American Express call the "zero-liability policy." If your credit card is lost or stolen, or if someone uses your account number to make transactions you didn't authorize, you can usually be reimbursed.

The zero-liability policy applies to transactions made on the Internet, by phone or at retailers. However, it may exclude personal identification number (PIN)-based transactions – for example, a cash advance made with your card at an automated banking machine (ABM). It may also exclude transactions made with convenience cheques, or transactions made on corporate credit cards.

Find out from your credit card issuers whether they have such a policy and how you can be protected. This type of policy is not usually listed in a credit card agreement, since it is a public commitment and not a legal requirement.

To sum up, having a good credit history is essential for many of the things you'll need and want to do – buy a car, own a home, take a vacation. By following the basic precautions in this booklet, you'll have a better chance of having access to credit when you need it.

Notes

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Publications:	pub@fcac-acfc.gc.ca

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Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Secured Credit Cards

A secured credit card might be for you if:

- You need to build a credit history or rebuild a poor credit rating
- You are having difficulty obtaining other types of credit cards

Protecting Consumers *Informing Canadians*

Canada

How Secured Credit Cards Work

Most credit cards offered to consumers are considered unsecured. This means that the consumer usually doesn't have to make a security deposit to obtain the card. Unsecured credit cards usually include standard, gold and platinum (both low-rate and regular-rate), retail credit cards and charge cards.

However, a secured card may be suitable for you if you're having trouble obtaining an unsecured credit card because:

- you have no credit history;
- you've had credit problems in the past and want to rebuild your credit rating;
- you've recently filed for bankruptcy; or
- you're new to Canada.

What You'll Need to Obtain a Secured Credit Card

To obtain a secured card, you'll need to deposit a sum of money with the credit card issuer. Depending on the credit limit you request, the required security deposit for a secured card can range from a few hundred to several thousand dollars.

As well as the security deposit, you may be charged a one-time "set-up" or application fee. Before you apply for a secured card, be sure to ask the credit issuer whether you will have to pay a fee and whether it will be refunded if your application is turned down.

Your credit limit is normally set as a percentage (usually 100 per cent or more) of your deposit. For example, if you provide the credit card issuer with a deposit of $500, you may be granted a credit limit of $500 or more. If you don't make your credit card payments, the credit issuer may use your deposit to pay down your credit card balance.

However, making all your credit card payments on time will help you build a credit history or rebuild a poor credit rating. Once your credit rating is considered satisfactory by a credit issuer, you may be eligible for an unsecured credit card such as a low-rate or regular-rate standard card. At this time, the security deposit may be returned to you if you decide to close your credit card account after paying off the entire balance.

Interest Rates and Other Fees That May Apply

Secured credit cards normally have a higher interest rate than unsecured cards. Secured credit cards also usually have monthly or annual fees and, like other cards, have service fees associated with some transactions (for more details, see the *Service Fees on Visa, MasterCard, and American Express* Credit Card Transactions comparison table included in this kit).

Interest and Insurance on Your Security Deposit

Most secured credit card issuers will pay you interest on your security deposit.

The financial institution that holds your deposit is either your credit issuer (if it accepts deposits), or another financial institution chosen by the issuer. No matter who holds your security deposit, check with your card issuer to see if your deposit is insured with the Canada Deposit Insurance Corporation (CDIC) or a provincial deposit insurance corporation. Every province also has a deposit insurance corporation that protects deposits held at the financial institutions it regulates.

CDIC insures deposits (up to a limit of $60,000) held in financial institutions regulated by the Government of Canada. This protects you if the financial institution holding your deposit declares bankruptcy. For more information, visit CDIC's Web site at www.cdic.ca or call CDIC toll-free at 1-800-461-2342.

Tips for Finding a Secured Card

Before applying for a secured credit card, check your credit file periodically with the three credit rating bureaus in Canada (TransUnion, Equifax and Northern Credit Bureaus Inc.). If your credit file contains an error, have the error corrected immediately, since it may prevent you from getting an unsecured card. For more information on getting a copy of your credit file or correcting errors, see Playing it Safe available in this kit.

Here are some precautions you should take when looking for a secured card:

- Be cautious about secured card offers from unknown institutions. If you have doubts about the integrity of a secured credit card offer, contact FCAC toll-free at 1-866-461-3222.
- Beware of secured card offers from issuers outside Canada. If you have problems, it may be difficult to resolve them if the company is not located in Canada.
- Avoid offers for secured cards that do not have a recognized brand name such as VISA, MasterCard or American Express. These cards may only be accepted at a small number of stores or may require you to make purchases from a specific catalogue.
- Read and make sure you understand all the terms and conditions associated with a secured card before you accept it.

Secured Credit Cards

	Basic Features			Annual Interest Rates		
Secured Credit Card Issuer *Secured Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Security Deposit Required ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
Capital One Bank *Secured MasterCard*	Not specified	200	75 to 200	21.9	21.9	21.9
CIBC *CIBC Secured Classic VISA*	15,000	500	Same as credit limit	18.5	18.5	18.5
CIBC Secured Dividend Card	15,000	500	Same as credit limit	19.5	19.5	19.5
CIBC Secured Gold VISA Card	35,000	5,000	Same as credit limit	18.5	18.5	18.5
CIBC Secured HBC Rewards VISA Card	15,000	500	Same as credit limit	19.5	19.5	19.5
CIBC Secured Vacationgold VISA Card	35,000	5,000	Same as credit limit	19.5	19.5	19.5
Home Trust *Secured Visa*	5,000	750	Same as credit limit	19.5 to 22.95	21.5 to 24.95	11.99

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
25	M2	59	Free									
24	M1	Free	Free		✓						✓	
24	M1	Free	Free	Up to 1% cash back	✓						✓	
21	M1	99	30	Points towards merchandise	✓	✓	✓	✓	✓	✓	✓	
24	M1	Free	Free	HBC Rewards points	✓							
21	M1	30	Free	1% vacation dollars			✓	✓				
21	M1	90 - 120, paid on a monthly basis (7.50 - 10 per month), + 39 non-refundable one-time fee	36 - 60, paid on a monthly basis (3 - 5 per month)									

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Secured Credit Cards

Secured Credit Card Issuer *Secured Credit Card Name*	Basic Features			Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Security Deposit Required ($)	Purchases[1] (%)	Cash Advances[1] (%)	Balance Transfers[1] (%)
Capital One Bank						
Secured Visa						
CIBC	15,000	500	100% to 500%	19.5	19.5	19.5
CIBC Secured Classic VISA						
CIBC Secured Dividend Card	15,000	500	100% to 500%	19.5	19.5	19.5
CIBC Secured Gold VISA Card	35,000	3,000	100% to 500%	19.5	19.5	19.5
CIBC Secured HBC Rewards VISA Card	15,000	500	100% to 500%	19.5	19.5	19.5
CIBC Secured Vacationgent VISA Card	35,000	3,000	100% to 500%	19.5	19.5	19.5
Home Trust						
Secured Visa						

Updated October 2003

Grace Period on New Purchases[1]		Annual Fees		Rewards and Benefits[1]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
					✓						✓	
					✓						✓	
					✓	✓	✓	✓	✓	✓	✓	
					✓							
							✓	✓				

[1] If you meet the conditions of the method (Method 1 (M1) or Method 2 (M2)) used by the issuer.

Notes

Notes

How You Can Reach Us

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Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Credit Balance Insurance

Find out what credit balance insurance is, including:

- How you are protected
- What it costs
- How to make a claim

Protecting Consumers *Informing Canadians*

Canada

What Is Credit Balance Insurance?

Credit balance insurance is a form of insurance for your credit card that can protect you against unexpected events such as a serious injury, disability or accidental death.

To qualify for credit balance insurance, you must be 70 years of age or under. However, you may still qualify for limited coverage if you are over 70.

How Credit Balance Insurance Protects You

If you become injured, disabled or lose your job and have trouble paying your credit card bill, the insurance company will make the minimum payments on your credit card for you. This can help you keep a good credit rating while you are unable to make your payments. The following terms and conditions usually apply:

- The insurance company will make your **minimum payment** until you return to work (in some cases for a limited time period of up to 24 months) or until a maximum benefit is reached (usually between $5,000 and $20,000) – whichever comes first.
- At the time of your injury, disability or job loss, you must have been permanently employed for a minimum number of hours a week (usually at least 20).
- Your account must be in good standing.

If you die or have a critical illness, the insurance company will pay off the credit card balance owing at the time of your illness or death, so that your family members do not have to pay. The following terms and conditions usually apply:

- The insurance company will pay off your credit card debt up to a maximum amount (usually between $5,000 and $20,000).
- Coverage is usually limited to critical illnesses such as cancer, multiple sclerosis, paralysis, muscular dystrophy and other serious conditions.
- You must not have had a pre-existing condition before you applied for the insurance coverage.

The complete list of injuries or illnesses covered by the insurance and terms and conditions of coverage will be included in your credit balance insurance contract or certificate.

Do You Need Credit Balance Insurance?

Credit balance insurance is usually more expensive than regular forms of disability or life insurance. It might not be appropriate for you if:

- you are covered by another life insurance plan that will help pay off your debts in case of death or a disability (for example, through your employer);
- you think you will have enough income from other sources (for example, from rental property, accumulated savings, or investments) to make your minimum credit card payments if you fall ill or lose your job.

The Cost of Credit Balance Insurance

Like other forms of insurance, you must pay a monthly fee, called a "premium". This premium varies from issuer to issuer (from $0.69 to $1.50 for each $100 of outstanding balance on your credit card). It is charged directly to your credit card every month. To find out exactly how much your credit card issuer charges for coverage, see the comparison table in this booklet.

The premium will change each month depending on your outstanding balance: the lower the balance, the lower the premium. If you carry a large balance from month to month on your credit card, the credit balance insurance premiums can quickly add up. The example provided below shows how the premium is calculated for different outstanding balances and how much it is per year, assuming your monthly balance remains the same.

Example: How Much Credit Balance Insurance Costs

Previous Month's Outstanding Balance ($)	**Monthly Premium[1]** (previous month's outstanding balance ÷ $100 x $0.90) **($)**	**Approximate Yearly Cost[2]** (monthly premium x 12 months) **($)**
0	0.00	0.00
100	0.90	10.80
500	4.50	54.00
1,000	9.00	108.00
2,500	22.50	270.00
5,000	45.00	540.00
10,000	90.00	1,080.00

[1] Based on a June 2004 industry average of $0.90 per $100 of outstanding balance.

[2] Assuming your monthly balance remains the same.

If you are close to the limit on your credit card, you should be very careful – the monthly premium charge for your credit balance insurance may put you over your credit limit. If this happens, your credit card issuer may charge you an "over-the-limit" fee. To find out if your credit card issuer charges this fee, see the following comparison tables included in this kit: *Service Fees on Visa, MasterCard and American Express Credit Card Transactions* and *Service Fees on Retail Credit Card Transactions.*

How to Make a Claim

If you die, fall critically ill, lose your job or have an accident, you (or someone acting on your behalf) must notify the insurance company right away. The insurance company will then ask you or your representative to complete a "claim" form, usually within 90 days of the death, involuntary job loss or health diagnosis.

Before filing a claim, read your insurance contract or certificate carefully to make sure that you have all the necessary information to support your claim. In most cases, proof of your death, injury, disability, or involuntary unemployment must be provided in the form of an autopsy, or a letter from your doctor or former employer. Although a medical examination is not necessary when you apply for credit balance insurance, an insurance company may request that you undergo a medical exam by a doctor of their choice before it pays out any benefits.

Benefits normally begin 30 calendar days after disability or loss of employment.

How to Get Credit Balance Insurance

You can obtain credit balance insurance through your credit card issuer when you sign up for a new credit card. You can also ask your credit card issuer to start the insurance coverage on your existing card at any time.

When coverage starts, there is usually a 30-day "risk-free trial period" during which you can cancel the policy and obtain a refund of any premiums you have paid. Credit balance insurance can be cancelled at any time by contacting your credit card issuer.

Credit balance insurance is optional and is not a condition for obtaining a credit card.

Tips Before Applying for Credit Balance Insurance

Before signing up for credit balance insurance, make sure you understand the cost per $100 of outstanding balance, the age required to qualify for benefits, and the maximum amount that the insurance company will pay. In addition to these features, ask your credit card issuer (or check your insurance agreement within 30 days of obtaining coverage) to find out:

- what the insurance covers;
- what the conditions are for obtaining benefits;
- what illnesses/disabilities are covered by the insurance;
- whether or not your spouse/supplementary cardholder is covered;
- when and how benefits are paid;
- what is the maximum period of time for which benefits are paid.

Do You Need Credit Balance Insurance?

Credit balance insurance is usually more expensive than regular forms of disability or life insurance. It might not be appropriate for you if:

- you are covered by another life insurance plan that will help pay off your debts in case of death or a disability (for example, through your employer);
- you think you will have enough income from other sources (for example, from rental property, accumulated savings, or investments) to make your minimum credit card payments if you fall ill or lose your job.

The Cost of Credit Balance Insurance

Like other forms of insurance, you must pay a monthly fee, called a "premium". This premium varies from issuer to issuer (from $0.69 to $1.50 for each $100 of outstanding balance on your credit card). It is charged directly to your credit card every month. To find out exactly how much your credit card issuer charges for coverage, see the comparison table in this booklet.

The premium will change each month depending on your outstanding balance: the lower the balance, the lower the premium. If you carry a large balance from month to month on your credit card, the credit balance insurance premiums can quickly add up. The example provided below shows how the premium is calculated for different outstanding balances and how much it is per year, assuming your monthly balance remains the same.

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0	0.00	0.00
100	0.90	10.80
500	4.50	54.00
1,000	9.00	108.00
2,500	22.50	270.00
5,000	45.00	540.00
10,000	90.00	1,080.00

[1] Based on a June 2004 industry average of $0.90 per $100 of outstanding balance.

[2] Assuming your monthly balance remains the same.

If you are close to the limit on your credit card, you should be very careful – the monthly premium charge for your credit balance insurance may put you over your credit limit. If this happens, your credit card issuer may charge you an "over-the-limit" fee. To find out if your credit card issuer charges this fee, see the following comparison tables included in this kit: *Service Fees on Visa, MasterCard and American Express Credit Card Transactions* and *Service Fees on Retail Credit Card Transactions*.

How to Make a Claim

If you die, fall critically ill, lose your job or have an accident, you (or someone acting on your behalf) must notify the insurance company right away. The insurance company will then ask you or your representative to complete a "claim" form, usually within 90 days of the death, involuntary job loss or health diagnosis.

Before filing a claim, read your insurance contract or certificate carefully to make sure that you have all the necessary information to support your claim. In most cases, proof of your death, injury, disability, or involuntary unemployment must be provided in the form of an autopsy, or a letter from your doctor or former employer. Although a medical examination is not necessary when you apply for credit balance insurance, an insurance company may request that you undergo a medical exam by a doctor of their choice before it pays out any benefits.

Benefits normally begin 30 calendar days after disability or loss of employment.

How to Get Credit Balance Insurance

You can obtain credit balance insurance through your credit card issuer when you sign up for a new credit card. You can also ask your credit card issuer to start the insurance coverage on your existing card at any time.

When coverage starts, there is usually a 30-day "risk-free trial period" during which you can cancel the policy and obtain a refund of any premiums you have paid. Credit balance insurance can be cancelled at any time by contacting your credit card issuer.

Credit balance insurance is optional and is not a condition for obtaining a credit card.

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Before signing up for credit balance insurance, make sure you understand the cost per $100 of outstanding balance, the age required to qualify for benefits, and the maximum amount that the insurance company will pay. In addition to these features, ask your credit card issuer (or check your insurance agreement within 30 days of obtaining coverage) to find out:

- what the insurance covers;
- what the conditions are for obtaining benefits;
- what illnesses/disabilities are covered by the insurance;
- whether or not your spouse/supplementary cardholder is covered;
- when and how benefits are paid;
- what is the maximum period of time for which benefits are paid.

Credit Balance Insurance

Credit Card Issuer[1]	Name of Insurance Plan	Monthly Premium[2] (per $100 of outstanding balance)	Age to Qualify[3]	Maximum Benefit
American Express	Balance Payment Insurance	$0.89	Under 65	$10,000
BMO Bank of Montreal	Balance Insurance (critical illness)	$0.94	Under 65	$10,000
Canadian Tire	Credit Protector *(Options MasterCard)*	$0.99	Under 66	$10,000
	Charge Gard *(retail card)*	$0.99	Under 66	$5,000
Capital One Bank	Account Balance Coverage	$0.75	Under 70	$10,000
CIBC	Payment Protector	$0.89	Under 65	$10,000
Citibank	Credit Shield	$0.89	Under 65	$10,000
Citizen's Bank	Balance Protection Plan	$0.83	Under 70	$15,000
Fédération des Caisses Desjardins du Québec	Credit Balance Insurance	$0.75	Under 70	$30,000
HBC	AccountGard Protection	$1.29	Under 70	Unlimited
Irving Oil	Credit Balance Insurance	$0.89	Under 66	$5,000
Laurentian Bank	Assurpayment	$0.82	Under 65	$15,000
MBNA Canada	Payment Protection Plan	$0.99	Under 70	$15,000
National Bank	Balance Insurance	$0.99	Under 65	$50,000
Niagara Credit Union	Credit Card Balance Protection	$0.80	Under 65	$10,000
Petro-Canada	AccountGard	$1.50	Under 65	$1,000
President's Choice Bank	Balance Protection	$0.89	Under 65	$10,000
Royal Bank	Balance Protector	$0.89	Under 65	$15,000
Scotiabank	Balance Insurance	$0.75	Under 65	$20,000
Sears	Credit Protection	$1.17	Under 70	$10,000
TD Canada Trust	Balance Protection	$0.69	Under 65	$10,000

[1] CS Alterna Bank, CS CO-OP, Diners Club International, Home Trust, HSBC and VanCity Credit Union do not offer credit balance insurance.

[2] For joint or supplementary coverage (for example, a spouse), the premium could be higher. Check your insurance certificate for the terms and conditions of your coverage.

[3] You may still qualify for death, accidental death or dismemberment benefits if you are older than the age indicated. Check your insurance certificate or ask your credit card issuer.

Updated June 2004

Credit Balance Insurance

Credit Card Issuer[1]	Name of Insurance Plan	Monthly Premium[2] (per $100 of outstanding balance)	Age to Qualify[3]	Maximum Benefit
American Express	Balance Payment Insurance	$0.89	Under 65	$10,000
BMO Bank of Montreal	Balance Insurance (critical illness)	$0.94	Under 65	$10,000
Canadian Tire	Credit Protector *(Options MasterCard)*	$0.99	Under 66	$10,000
	Charge Gard *(retail card)*	$0.99	Under 66	$5,000
Capital One Bank	Account Balance Coverage	$0.75	Under 70	$10,000
CIBC	Payment Protector	$0.89	Under 65	$10,000
Citibank	Credit Shield	$0.89	Under 65	$10,000
Citizen's Bank	Balance Protection Plan	$0.83	Under 70	$15,000
Fédération des Caisses Desjardins du Québec	Credit Balance Insurance	$0.75	Under 70	$30,000
HBC	AccountGard Protection	$1.29	Under 70	Unlimited
Irving Oil	Credit Balance Insurance	$0.89	Under 66	$5,000
Laurentian Bank	Assurpayment	$0.82	Under 65	$15,000
MBNA Canada	Payment Protection Plan	$0.99	Under 70	$15,000
National Bank	Balance Insurance	$0.99	Under 65	$50,000
Niagara Credit Union	Credit Card Balance Protection	$0.80	Under 65	$10,000
Petro-Canada	AccountGard	$1.50	Under 65	$1,000
President's Choice Bank	Balance Protection	$0.89	Under 65	$10,000
Royal Bank	Balance Protector	$0.89	Under 65	$15,000
Scotiabank	Balance Insurance	$0.75	Under 65	$20,000
Sears	Credit Protection	$1.17	Under 70	$10,000
TD Canada Trust	Balance Protection	$0.69	Under 65	$10,000

[1] CS Alterna Bank, CS CO-OP, Diners Club International, Home Trust, HSBC and VanCity Credit Union do not offer credit balance insurance.

[2] For joint or supplementary coverage (for example, a spouse), the premium could be higher. Check your insurance certificate for the terms and conditions of your coverage.

[3] You may still qualify for death, accidental death or dismemberment benefits if you are older than the age indicated. Check your insurance certificate or ask your credit card issuer.

Updated June 2004

How You Can Reach Us

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Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Standard Credit Cards

Low-Rate and Regular-Rate

A standard credit card might be for you if:

- You don't need a card with reward points or special insurance options

Protecting Consumers *Informing Canadians*

Canada

Low-Rate Credit Cards

Low-Rate Credit Card Issuer *Low-Rate Credit Card name*	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases (%)	Cash Advances (%)	Balance Transfers (%)
BMO Bank of Montreal					
[illegible]					
CIBC					
CIBC Select VISA card					
CS Alterna Bank					
[illegible]					
CS CO-OP					
MasterCard with low rate option					
AIR MILES MasterCard with low rate option					
Federation des caisses Desjardins du Quebec					
[illegible]					
HSBC Bank Canada					
Low Rate HSBC MasterCard					
Low Rate HSBC MasterCard with No [illegible]					
Laurentian Bank					
[illegible]					

Low-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Low-Rate Credit Card Issuer *Low-Rate Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
BMO Bank of Montreal *Mosaik MasterCard with Low Rate Option*	Not specified	1,200	12.9	7.9	7.9
CIBC *CIBC Select VISA Card*	15,000	500	10.5	10.5	10.5
CS Alterna Bank *MasterCard with low rate option*	Not specified	1,200	12.9	7.9	7.9
AIR MILES MasterCard with low rate option	Not specified	1,200	12.9	7.9	7.9
CS CO-OP *MasterCard with low rate option*	Not specified	1,200	12.9	7.9	7.9
AIR MILES MasterCard with low rate option	Not specified	1,200	12.9	7.9	7.9
Federation des caisses Desjardins du Quebec *Low Interest Rate VISA Classic*	Not specified	500	8.9	8.9	8.9
HSBC Bank Canada *Low Rate HSBC MasterCard*	Not specified	500	12.9	7.9	7.9
Low Rate HSBC MasterCard with AIR MILES	Not specified	500	12.9	7.9	7.9
Laurentian Bank *Black VISA (reduced rate option)*	12,000	500	10.5	10.5	10.5

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]							
					Travel Insurance						Insurance on Purchases
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty
19	M1	15	5	Air miles or cash back							✓
24	M1	29	Free		✓						
19	M1	15	Free								
19	M1	50	Free	1 air mile for every $20 spent							
19	M1	15	Free								
19	M1	50	Free	1 air mile for every $20 spent							
21	M1	25	Free		✓	✓	✓		✓	✓	
23	M1	15	Free								
23	M1	50	Free	1 air mile for every $20 spent							
21	M1	29	Free								

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Low-Rate Credit Cards

Low-Rate Credit Card Issuer Low-Rate Credit Card Name	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[3] (%)
National Bank					
Niagara Credit Union Low Fee MasterCard	Not specified	Not specified	12.9	22.9	12.9
Low Fee Aspire Card with Choice Rewards	Not specified	Not specified	12.9	22.9	12.9
Royal Bank					
Scotiabank Scotiabank Value VISA	Not specified	1,000	12.99	22.99	12.99
Scotiabank No Fee Low Rate VISA	Not specified	1,000	12.99	22.99	12.99
Tangerine VISA Program	Not specified	10,000	Variable rate of prime + 7.99%	Variable rate of prime + 7.99%	Variable rate of prime + 7.99%
TD Canada Trust					
VanCity Credit Union VanCity VISA Low Interest	Not specified	500	12.9	22.9	12.9

Low-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Low-Rate Credit Card Issuer *Low-Rate Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
National Bank *Reduced Rate MasterCard*	Not specified	500	13.9	8.9	8.9
Reduced Rate Ultramar MasterCard	Not specified	500	13.9	8.9	8.9
Reduced Rate Escapade MasterCard	Not specified	500	13.9	8.9	8.9
Reduced Rate Les Ailes MasterCard	Not specified	500	13.9	8.9	8.9
Syncro MasterCard	Not specified	1,000	Prime + 4% or 6%	Prime + 4% or 6%	Prime + 4% or 6%
Niagara Credit Union *Low Fee MasterCard*	Not specified	Not specified	13.9	13.9	13.9
Low Fee MasterCard with Choice Rewards	Not specified	Not specified	13.9	13.9	13.9
Royal Bank *Visa Classic Low Rate*	Not specified	1,000	10.5	10.5	10.5
Scotiabank *Scotiabank Value VISA*	Not specified	1,000	9.9	9.9	9.9
Scotiabank No-Fee Value VISA	Not specified	1,000	11.9	11.9	11.9
ScotiaLine VISA Account	Not specified	10,000	As low as prime + 2.5%	As low as prime + 2.5%	As low as prime + 2.5%
TD Canada Trust *TD Emerald Visa*	12,000	1,000	Prime + 1.9% to prime + 6.9%	Prime + 1.9% to prime + 6.9%	Prime + 1.9% to prime + 6.9%
VanCity Credit Union *Envirofund VISA (Low Interest)*	15,000	500	9.75	9.75	9.75

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
21	M1	15	Free									
21	M1	15	Free	Up to 2.5% cash back on Ultramar products								
21	M1	35	10	Points towards merchandise							✓	
21	M1	35	10	Points towards Les Ailes merchandise								
21	M1	35	10									
21	M1	12	Free		✓	✓					✓	
21	M1	24	Free	Points towards travel	✓	✓					✓	
21	M2	25	Free								✓	
26	M1	29	Free									
26	M1	Free	Free									
26	M1	Free	Free								✓	
21	M1	12	Free									
21	M1	25	Free		✓						✓	

[3] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. *See Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Credit Card Issuer *Regular-Rate Credit Card Name*	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[3] (%)
Amex Bank of Canada					
BMO Bank of Montreal *Mosaic MasterCard with No Fee Option*	Not specified	1,000	19.9	26.4	19.9
Canadian Tire					
Capital One Bank *Premium MasterCard*	Not specified	500	9.9 (6-month introductory rate) 11.9 to 23.9 (Variable)	22.9 to 23.9	9.9 (6-month introductory rate) 11.9 to 23.9 (Variable)
CIBC					
Citibank *Citi MasterCard*	Not specified	1,000	19.9	19.9	9.9 (6-month introductory rate) 19.9 (Variable)
Citi Drivers Edge MasterCard	Not specified	1,000	19.9	19.9	9.9 (6-month introductory rate) 19.9 (Variable)
Sony Card from Citi	Not specified	1,000	19.9	19.9	9.9 (6-month introductory rate) 19.9 (Variable)

Regular-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Credit Card Issuer *Regular-Rate Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
Amex Bank of Canada *No-Fee American Express AIR MILES Credit Card*	15,000	1,000	18.5 to 23.99	18.5 to 23.99	5.99 (6-month introductory rate) 18.5 to 23.99 (thereafter)
American Express Tiger Woods Credit Card	15,000	1,000	18.5 to 23.99	18.5 to 23.99	5.99 (6-month introductory rate) 18.5 to 23.99 (thereafter)
The Holt Renfrew Card from American Express	15,000	1,000	18.5 to 23.99	18.5 to 23.99	5.99 (6-month introductory rate) 18.5 to 23.99 (thereafter)
BMO Bank of Montreal *Mosaik MasterCard with No Fee Option*	Not specified	1,200	18.4	18.4	18.4
Canadian Tire *Options MasterCard*	14,000	800	10.99 to 25.99	18.9	18.9
Capital One Bank *Premium MasterCard*	Not specified	500	9.9 (6-month introductory rate) 14.9 to 23.9 (thereafter)	19.8 to 23.9	9.9 (6-month introductory rate) 14.9 to 23.9 (thereafter)
CIBC *CIBC Classic VISA Card*	15,000	500	18.5	18.5	18.5
CIBC Dividend Card	15,000	500	19.5	19.5	19.5
CIBC entourage American Express	15,000	500	19.5	19.5	19.5
CIBC HBC Rewards VISA	15,000	500	19.5	19.5	19.5
CIBC Shoppers Optimum/Pharmaprix Optimum VISA	15,000	500	19.5	19.5	19.5
Citibank *Citi MasterCard*	Not specified	1,000	18.5	18.5	5.9 (6-month introductory rate) 18.5 (thereafter)
Citi Drivers' Edge MasterCard	Not specified	1,000	19.9	19.9	5.9 (6-month introductory rate) 19.9 (thereafter)
Sony Card from Citi	Not specified	1,000	19.9	19.9	5.9 (6-month introductory rate) 19.9 (thereafter)

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
21	M2	Free	Free	1 air mile for every $20 spent								
21	M2	99	30	Golf discounts								
21	M2	Free	Free	1 point for every $1 spent	✓						✓	
19	M1	Free	5	Air miles or cash back							✓	
21	M1	Free	Free	Canadian Tire money								
25	M2	59	Free		✓			✓			✓	
24	M1	Free	Free		✓						✓	
24	M1	Free	Free	Up to 1% cash back	✓						✓	
24	M1	Free	Free	Up to 1% cash back	✓						✓	
24	M1	Free	Free	HBC Rewards points	✓							
24	M1	Free	Free	Shoppers Optimum points	✓							
21 to 25	M2	Free	Free								✓	
21 to 25	M2	Free	Free	2% cash back towards the lease or purchase of new or used car							✓	
21 to 25	M2	Free	Free	Sony Points towards Sony merchandise							✓	

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Credit Card Issuer (Name of the Credit Card Plan)	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[1] (%)	Balance Transfers[1] (%)
CS Alterna Bank					
CS LD-GP					
Federation des caisses Desjardins du Québec					
HSBC Bank Canada					
Laurentian Bank					
National Bank					

Regular-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Credit Card Issuer *Regular-Rate Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
CS Alterna Bank *Standard MasterCard*	Not specified	1,200	18.4	18.4	18.4
Standard AIR MILES MasterCard	Not specified	1,200	18.4	18.4	18.4
CS CO-OP *Standard MasterCard*	Not specified	1,200	18.4	18.4	18.4
Standard AIR MILES MasterCard	Not specified	1,200	18.4	18.4	18.4
Diners Club International *Silver Card*	25,000	2,000	22	22	22
Silver Card with Club Rewards	25,000	2,000	22	22	22
Fédération des caisses Desjardins du Québec *VISA Classic*	Not specified	500	17.9	17.9	17.9
VISA Desjardins Classic with BonusDollars program option	Not specified	500	17.99	17.99	17.99
HSBC Bank Canada *HSBC MasterCard*	Not specified	500	18.4	18.4	18.4
HSBC MasterCard with AIR MILES	Not specified	500	18.4	18.4	18.4
Laurentian Bank *Black VISA Card*	12,000	500	18.5	18.5	18.5
MBNA Canada *Preferred MasterCard*	Not specified	500	17.99	19.99	19.99
National Bank *Regular MasterCard*	Not specified	500	18.9	18.9	18.9
Ultramar MasterCard	Not specified	500	18.9	18.9	18.9
Escapade MasterCard	Not specified	500	18.5	18.5	18.5
Les Ailes MasterCard	Not specified	500	19.5	19.5	19.5

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
19	M1	Free	Free									
19	M1	35	Free	1 air mile for every $20 spent								
19	M1	Free	Free									
19	M1	35	Free	1 air mile for every $20 spent								
25	M2	65	25	Aeroplan miles	✓			✓	✓	✓		
25	M2	85	35	Cash back towards merchandise	✓			✓	✓	✓		
21	M1	Free	Free		✓	✓	✓		✓	✓		
21	M1	20	Free	Cash back on purchases	✓							
21	M1	Free	Free									
21	M1	35	Free	1 air mile for every $20 spent								
21	M1	Free	Free									
25	M2	Free	Free		✓							
21	M1	Free	Free									
21	M1	Free	Free	Up to 2.5% cash back on Ultramar products								
21	M1	20	10	Points towards merchandise							✓	
21	M1	20	10	Points towards Les Ailes merchandise								

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Credit Card Issuer *Regular-Rate Credit Card Name*	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[3] (%)
Niagara Credit Union					
President's Choice Bank *President's Choice Financial MasterCard*	Not specified	1,000	17.9	17.9	4.9% on balances transferred from other credit cards for the first 6 months; 17.9% thereafter
Royal Bank					
Scotiabank *Scotiabank Classic Visa*	Not specified	7,500	19.9	19.9	19.9
Scotiabank No-Fee Classic Visa	Not specified	7,500	19.9	19.9	19.9
TD Canada Trust					
VanCity Credit Union *EnviroGold VISA*	15,000	500	19.9%	19.9%	19.9%
Silver Visa	15,000	500	19.9%	19.9%	19.9%

Regular-Rate Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Credit Card Issuer *Regular-Rate Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
Niagara Credit Union *No Fee Loyalty MasterCard*	Not specified	Not specified	18.9	18.9	18.9
President's Choice Bank *President's Choice Financial MasterCard*	Not specified	1,000	17.97	17.97	4.97 on balance transfers of over $200 (applicable until balance transfer paid in full) 17.97 (thereafter)
Royal Bank *Visa Classic*	12,000	1,000	18.5	18.5	18.5
Visa Classic II	12,000	1,000	18.5	18.5	18.5
Esso Visa	12,000	1,000	18.5	18.5	18.5
Scotiabank *Scotiabank Classic Visa*	Not specified	1,000	17.9	17.9	17.9
Scotiabank No-Fee Classic Visa	Not specified	1,000	18.5	18.5	18.5
TD Canada Trust *TD Green Visa*	12,000	500	18.5	18.5	18.5
The GM Card	12,000	500	18.5	18.5	18.5
Wal-Mart TD Visa	12,000	500	15.48	15.48	6.88 (6-month introductory rate) 15.48 (thereafter)
VanCity Credit Union *Envirofund VISA*	15,000	500	17.75	17.75	17.75
Silver Visa	15,000	500	17.75	17.75	17.75

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Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]							
					Travel Insurance						Insurance on Purchases
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty
15	M1	Free	Free	Points towards travel	✓						
21	M1	Free	Free	10 PC points for every dollar spent, redeemable for free groceries, travel and more	✓						✓
21	M2	Free	Free								✓
21	M2	35	Free	Points towards travel, merchandise, RBC products or gift certificates at selected merchants							✓
25	M2	Free	Free	Points towards Esso merchandise							✓
26	M1	8	Free	Up to 1% cash back							
26	M1	Free	Free	Up to 1% cash back							
21	M1	Free	Free		✓						✓
21	M1	Free	Free	3% cash back towards GM vehicles	✓						
21	M1	Free	Free		✓						
21	M1	Free	Free		✓						✓
21	M1	39	Free	Points towards merchandise	✓						✓

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

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Her Majesty the Queen in Right of Canada (Financial Consumer Agency of Canada)

Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Gold Credit Cards

Low-Rate and Regular-Rate

A gold credit card might be for you if:

- You need a card with reward points or special insurance options

Protecting Consumers *Informing Canadians*

Canada

Low-Rate Gold Credit Cards

Low-Rate Gold Credit Card Issuer *Gold Credit Card Name*	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[2] (%)
BMO Bank of Montreal					
CS Alterna Bank *Gold MasterCard with low rate option*	Not specified	5,000	12.9	12.9	12.9
Gold AIR MILES MasterCard with low rate option	Not specified	5,000	12.9	12.9	12.9
CS CO-OP					
Federation des caisses Desjardins du Quebec *Low Interest Rate VISA Desjardins Gold*	20,000	5,000	9.9	9.9	9.9
Low Interest Rate VISA Desjardins	20,000	5,000	9.9	9.9	9.9
HSBC Bank Canada					
MBNA Canada *Low Rate Gold MasterCard with low*	Not specified	1,000	9.99	11.99	11.99
National Bank					
Niagara Credit Union *Low Rate Gold MasterCard*	Not specified	Not specified	12.9	19.9	19.9
Low Rate Gold MasterCard with Rebate Offering	Not specified	Not specified	12.9	19.9	19.9

Low-Rate Gold Credit Cards

	Basic Features		Annual Interest Rates		
Low-Rate Gold Credit Card Issuer *Gold Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
BMO Bank of Montreal *Mosaik MasterCard with Low Rate Travel & Medical options*	Not specified	Not specified	12.9	7.9	7.9
CS Alterna Bank *Gold MasterCard with low rate option*	Not specified	5,000	12.9	7.9	7.9
Gold AIR MILES MasterCard with low rate option	Not specified	5,000	12.9	7.9	7.9
CS CO-OP *Gold MasterCard with low rate option*	Not specified	5,000	12.9	7.9	7.9
Gold AIR MILES MasterCard with low rate option	Not specified	5,000	12.9	7.9	7.9
Fédération des caisses Desjardins du Québec *Low Interest Rate VISA Odyssey Gold*	35,000	5,000	8.9	8.9	8.9
Low Interest Rate VISA Classe Or	35,000	5,000	8.9	8.9	8.9
HSBC Bank Canada *Low Rate Gold HSBC MasterCard*	Not specified	3,000	12.9	7.9	7.9
Low Rate Gold MasterCard with AIR MILES	Not specified	3,000	12.9	7.9	7.9
MBNA Canada *Low Rate Gold MasterCard with fee*	Not specified	2,500	9.99	11.99	11.99
National Bank *Reduced Rate OVATION Gold MasterCard*	24,000	2,500	13.9	8.9	8.9
Reduced Rate Gold Edition MasterCard	24,000	2,500	13.9	8.9	8.9
Niagara Credit Union *Low Fee Gold MasterCard*	Not specified	Not specified	13.9	13.9	13.9
Low Fee Gold MasterCard with Choice Rewards	Not specified	Not specified	13.9	13.9	13.9

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
19	M1	93	5	Air miles or cash back	✓	✓	✓	✓	✓	✓	✓	
19	M1	80	Free		✓	✓		✓			✓	
19	M1	115	Free	1 air mile for every $20 spent								
19	M1	80	Free		✓	✓		✓			✓	
19	M1	115	Free	1 air mile for every $20 spent								
21	M1	115 (105 for 76 yrs. and over)	20	Cash back on purchases	✓	✓	✓	✓	✓	✓	✓	
21	M1	25	Free		✓	✓	✓	✓	✓	✓		
23	M1	80	Free					✓			✓	
23	M1	115	Free	1 air mile for every $20 spent				✓			✓	
25	M2	29	Free		✓			✓			✓	
21	M1	95	30	Points towards merchandise	✓		✓	✓			✓	
21	M1	15	Free		✓			✓			✓	
15	M1	35	Free		✓	✓		✓			✓	
15	M1	59	Free	Points towards travel	✓	✓		✓			✓	

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[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Gold Credit Cards

Regular-Rate Gold Credit Card Issuer	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[2] (%)
Alberta Treasury Branches					
Bank of Montreal					
BMO Bank of Montreal					
Canada Trust					
Canadian Tire Bank					
CIBC					
Citibank Canada					
Desjardins					
Laurentian Bank of Canada					
MBNA Canada Bank					
National Bank of Canada					
Royal Bank of Canada					
Scotiabank					
TD Canada Trust					
Tangerine					
Vancouver City Savings Credit Union (Vancity)					

Regular-Rate Gold Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Gold Credit Card Issuer *Gold Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
Amex Bank of Canada *American Express AIR MILES Gold Credit Card*	15,000	1,000	18.5 to 23.99	18.5 to 23.99	5.99 (6-month introductory rate) 18.5 to 23.99 (thereafter)
BMO Bank of Montreal *Mosaik MasterCard with Travel option*	Not specified	Not specified	18.4	18.4	18.4
Mosaik MasterCard with Travel & Medical options	Not specified	Not specified	18.4	18.4	18.4
Capital One Bank *Gold MasterCard*	Not specified	2,500	9.9 (6-month introductory rate) 14.9 to 23.9 (thereafter)	19.8 to 23.9	9.9 (6-month introductory rate) 14.9 to 23.9 (thereafter)
CIBC *CIBC Aerogold VISA Card*	35,000	5,000	19.5	19.5	19.5
CIBC Gold VISA Card	35,000	5,000	18.5	18.5	18.5
CIBC Vacationgold VISA Card	35,000	5,000	19.5	19.5	19.5
CIBC Aventura Gold VISA Card	35,000	5,000	19.5	19.5	19.5
Citibank *Citi Gold MasterCard*	Not specified	2,500	18.5	18.5	5.9 (6-month introductory rate) 18.5 (thereafter)
L'il Drivers' Edge Gold MasterCard	Not specified	2,500	19.9	19.9	5.9 (6-month introductory rate) 19.9 (thereafter)

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
21	M2	50	Free	1 air mile for every $15 spent	✓							
19	M1	29	5	Air miles or cash back	✓			✓			✓	
19	M1	78	5	Air miles or cash back	✓	✓	✓	✓	✓	✓	✓	
25	M2	Free	Free		✓			✓			✓	
17 (21 in BC and QC)	M1	120	50	Aeroplan miles	✓			✓	✓	✓		
21	M1	99	30	Points towards merchandise	✓	✓	✓	✓	✓	✓	✓	
21	M1	30	Free	1% vacation dollars			✓	✓				
17	M1	120	50		✓			✓	✓	✓		
21 to 25	M2	Free	Free								✓	
21 to 25	M2	Free	Free	2% cash back towards the lease or purchase of new or used car							✓	

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Gold Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Gold Credit Card Issuer *Gold Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
CS Alterna Bank *Gold MasterCard*	Not specified	5,000	18.4	18.4	18.4
Gold AIR MILES MasterCard	Not specified	5,000	18.4	18.4	18.4
CS CO-OP *Gold MasterCard*	Not specified	5,000	18.4	18.4	18.4
Gold AIR MILES MasterCard	Not specified	5,000	18.4	18.4	18.4
Diners Club International *Gold Card*	40,000	2,000	22	22	22
Fédération des caisses Desjardins du Québec *VISA Odyssey Gold*	35,000	5,000	17.9	17.9	17.9
VISA Classe OR	35,000	5,000	17.9	17.9	17.9
HSBC Bank Canada *HSBC Gold MasterCard*	Not specified	3,000	18.4	18.4	18.4
HSBC Gold MasterCard with AIR MILES	Not specified	3,000	18.4	18.4	18.4
Laurentian Bank *VISA Gold Card*	45,000	5,000	17.4	17.4	17.4
MBNA Canada *Gold MasterCard*	Not specified	2,500	17.99	19.99	19.99
National Bank *OVATION Gold MasterCard*	24,000	2,500	18.65	18.65	18.65
Gold Edition MasterCard	24,000	2,500	18.9	18.9	18.9
Niagara Credit Union *Gold MasterCard*	Not specified	Not specified	18.9	18.9	18.9
Gold MasterCard with Choice Rewards	Not specified	Not specified	18.9	18.9	18.9

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]							
					Travel Insurance						Insurance on Purchases
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty
19	M1	60	Free		✓	✓		✓			✓
19	M1	95	Free	1 air mile for every $20 spent							
19	M1	60	Free		✓	✓		✓			✓
19	M1	95	Free	1 air mile for every $20 spent							
25	M2	120	50	Aeroplan miles	✓		✓	✓	✓	✓	
21	M1	90 (80 for 76 yrs. and over)	20	Cash back on purchases	✓	✓	✓	✓	✓	✓	✓
21	M1	Free	Free		✓	✓	✓	✓	✓	✓	
21	M1	60	Free					✓			✓
21	M1	95	Free	1 air mile for every $20 spent				✓			✓
21	M1	90	25	Points towards merchandise	✓	✓	✓	✓	✓	✓	✓
25	M2	Free	Free		✓			✓			✓
21	M1	80	30	Points towards merchandise	✓		✓	✓			✓
21	M1	Free	Free		✓			✓			✓
15	M1	96	Free		✓	✓	✓	✓			✓
15	M1	120	Free	Points towards travel	✓	✓	✓	✓			✓

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Regular-Rate Gold Credit Cards

Regular-Rate Gold Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Gold Credit Card Issuer *Gold Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
Royal Bank *Visa Gold*	35,000	5,000	18.5	18.5	18.5
Visa Gold Preferred	35,000	5,000	18.5	18.5	18.5
AAdvantage Visa Gold	35,000	5,000	20.5	20.5	20.5
Scotiabank *ScotiaGold Preferred VISA Card*	Not specified	5,000	17.9	17.9	17.9
No-Fee ScotiaGold VISA Card	Not specified	5,000	18.5	18.5	18.5
TD Canada Trust *Gold Travel Visa*	35,000	5,000	18.5	18.5	18.5
Gold Elite Visa	35,000	5,000	18.5	18.5	18.5
Gold Select Visa	35,000	5,000	18.5	18.5	18.5
VanCity Credit Union *Gold VISA*	35,000	5,000	17.75	17.75	17.75

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
17	M2	Free	Free		✓			✓			✓	
21	M2	110 (70 for 65 yrs. and over)	30	Points towards travel, merchandise, RBC products or gift certificates at selected merchants	✓	✓	✓	✓		✓	✓	
17	M2	140	70	AAdvantage miles	✓			✓	✓		✓	
26	M1	95 (65 for 65 yrs. and over)	Free	Points towards travel, merchandise, gift certificates or bank vouchers	✓	✓	✓	✓			✓	
26	M1	Free	Free					✓				
21	M1	99	40	Points towards travel	✓			✓	✓	✓	✓	
21	M1	99	40	1% cash back	✓			✓	✓	✓	✓	
17	M1	Free	Free		✓			✓			✓	
21	M1	99	Free	Points towards merchandise	✓						✓	

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] For cash advances or balance transfers, interest is always calculated from the date funds are borrowed. There is no grace period.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Notes

Notes

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Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Platinum Credit Cards

Low-Rate and Regular-Rate

A platinum credit card might be for you if:

- You need a card with reward points or special insurance options

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Low-Rate Platinum Credit Cards

Low-Rate Platinum Credit Card Issuer Low-Rate Platinum Credit Card Name	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[1] (%)	Balance Transfers[1] (%)
BMO Bank of Montreal					
MBNA Canada					

Low-Rate Platinum Credit Cards

	Basic Features		Annual Interest Rates		
Low-Rate Platinum Credit Card Issuer *Low-Rate Platinum Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
BMO Bank of Montreal *Mosaik MasterCard with Enhanced Travel and Low Rate options*	Not specified	Not specified	12.9	7.9	7.9
MBNA Canada *Low Rate Platinum MasterCard with fee*	Not specified	2,500	9.99	11.99	11.99

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]							
					Travel Insurance						Insurance on Purchases
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty
19	M1	75	5	Air miles or cash back	✓	✓		✓	✓	✓	✓
25	M2	29	Free		✓			✓			✓

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[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Platinum Credit Cards

Regular-Rate Platinum Credit Card Issuer *Regular-Rate Platinum Credit Card Name*	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[3] (%)
Amex Bank of Canada					
BMO Bank of Montreal *Regular MasterCard with Enhanced Travel Insurance*	Not specified	Not specified	19.9	19.9	19.9
	Not specified	Not specified	19.9	19.9	19.9
Capital One Bank					
CIBC *CIBC Dividend Platinum*	20,000	5,000	19.9	19.9	19.9
	60,000	10,000	19.9	19.9	19.9
Citibank					

Regular-Rate Platinum Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Platinum Credit Card Issuer *Regular-Rate Platinum Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
Amex Bank of Canada *The Platinum Credit Card from American Express*	30,000	5,000	16.99 to 23.99	16.99 to 23.99	3.99 (6-month introductory rate) 16.99 to 23.99 (thereafter)
American Express Costco Platinum Cash Rebate Card	15,000	1,000	18.25 to 23.99	18.25 to 23.99	4.99 (6-month introductory rate) 18.25 to 23.99 (thereafter)
BMO Bank of Montreal *Mosaik MasterCard with Enhanced Travel option*	Not specified	Not specified	18.4	18.4	18.4
Mosaik MasterCard with Enhanced Travel & Medical options	Not specified	Not specified	18.4	18.4	18.4
Capital One Bank *Platinum MasterCard*	Not specified	5,000	2.9 (6-month introductory rate) 7.9 to 19.8 (thereafter)	19.8	2.9 (6-month introductory rate) 7.9 to 19.8 (thereafter)
CIBC *CIBC Dividend Platinum*	35,000	5,000	19.5	19.5	19.5
CIBC entourage Platinum American Express Card	50,000	10,000	19.5	19.5	19.5
Citibank *Citi Platinum MasterCard*	Not specified	5,000	17.9	17.9	5.9 (6-month introductory rate) 17.9 (thereafter)
Citi Drivers' Edge Platinum MasterCard	Not specified	5,000	19.9	19.9	5.9 (6-month introductory rate) 19.9 (thereafter)
Sony Platinum Card from Citi	Not specified	5,000	19.9	19.9	5.9 (6-month introductory rate) 19.9 (thereafter)

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
21	M2	Free	Free		✓						✓	
21	M2	Free	Free	Cash rebate up to 2%	✓						✓	
19	M1	60	5	Air miles or cash back	✓	✓		✓	✓	✓	✓	
19	M1	149	5	Air miles or cash back	✓	✓	✓	✓	✓	✓	✓	
25	M2	Free	Free		✓			✓			✓	
21	M1	79	30	Up to 2% cash back	✓		✓	✓			✓	
17 (21 in BC and QC)	M1	299	99	Up to 2% cash back	✓	✓	✓	✓	✓	✓	✓	
21 to 25	M2	Free	Free		✓			✓			✓	
21 to 25	M2	Free	Free	2% cash back towards the lease or purchase of new or used car	✓			✓			✓	
21 to 25	M2	Free	Free	Sony Points towards Sony merchandise	✓			✓			✓	

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[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Platinum Credit Cards

Regular-Rate Platinum Credit Card issuer	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[2] (%)
MBNA Canada					
Royal Bank					

Regular-Rate Platinum Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Platinum Credit Card Issuer *Regular-Rate Platinum Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
Diners Club International *Maple Leaf Club Card*	Not specified	2,000	22	22	22
MBNA Canada *Platinum MasterCard*	Not specified	2,500	17.99	19.99	19.99
Platinum MasterCard with TravelRewards	Not specified	2,500	18.99	19.99	19.99
Platinum MasterCard with Premier Rewards	Not specified	2,500	19.99	19.99	19.99
Niagara Credit Union *Platinum Class MasterCard*	Not specified	Not specified	18.9	18.9	18.9
Royal Bank *Visa Platinum*	35,000	5,000	18.5	18.5	18.5
Visa Platinum Preferred	35,000	5,000	18.5	18.5	18.5
Visa Platinum Avion	35,000	5,000	19.5	19.5	19.5
British Airways Visa Platinum	35,000	5,000	20.5	20.5	20.5

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
25	M2	375	175	Aeroplan miles	✓		✓	✓	✓	✓		
25	M2	Free	Free		✓			✓			✓	
25	M2	89	Free	Points towards travel	✓			✓			✓	
25	M2	49	Free	Cash back on purchases	✓			✓			✓	
15	M1	150	Free	Points towards travel	✓	✓	✓	✓			✓	
17	M2	Free	Free		✓			✓			✓	
17	M2	110 (70 for 65 yrs. and over)	30	Points towards travel, merchandise, RBC products or gift certificates at selected merchants	✓	✓	✓	✓		✓	✓	
17	M2	120	50	Points towards travel, merchandise, RBC products or gift certificates at selected merchants	✓			✓	✓	✓	✓	
17	M2	165	75	Club miles	✓		✓	✓	✓	✓	✓	

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Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

U.S. Dollar
Credit Cards

A U.S. dollar credit card might be for you if:

- You often shop in the United States
- You have a U.S. bank account from which you can pay your credit card bill

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U.S. Dollar Credit Cards

U.S. Dollar Credit Card Issuer	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[1] (%)	Balance Transfers[1] (%)
CIBC					
Royal Bank					

U.S. Dollar Credit Cards

	Basic Features		Annual Interest Rates		
U.S. Dollar Credit Card Issuer *U.S. Dollar Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
BMO Bank of Montreal *U.S. Dollar Card*	Not specified	1,000 CAN	17.5	17.5	17.5
U.S. Dollar Gold Card	Not specified	5,000 CAN	17.5	17.5	17.5
CIBC *CIBC U.S. Dollar Visa Card*	15,000	1,000 U.S.	18.5	19	19
Federation des caisses Desjardins du Quebec *VISA Classic U.S.$*	Not specified	500 U.S.	17.9	17.9	17.9
Royal Bank *U.S. Dollar Visa Gold*	35,000	5,000 U.S.	18.5	18.5	18.5
TD Canada Trust *TD U.S. Dollar Advantage Visa*	35,000	2,000 CAN	18.5	18.5	18.5

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
25	M1	20 CAN	Free		✓			✓				
25	M1	60 CAN	Free		✓	✓	✓	✓	✓	✓	✓	
21	M1	35 U.S.	Free		✓							
21	M1	29 U.S.	Free		✓			✓			✓	
21	M2	65 U.S.	25 U.S.	Points towards travel, merchandise, RBC products or gift certificates at selected merchants	✓	✓		✓		✓	✓	
21	M1	25 U.S.	Free		✓			✓	✓	✓		

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Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Student Credit Cards

Low-Rate and Regular-Rate

A student credit card might be for you if:

- You are a student with limited income

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Canada

Low-Rate Student Credit Cards

Low-Rate Student Credit Card Issuer Low-Rate Student Credit Card Name	Basic Features		Annual Interest Rates		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Purchases[1] (%)	Cash Advances[2] (%)	Balance Transfers[3] (%)
BMO Bank of Montreal					
CS Alterna Bank					
Federation des caisses Desjardins du Quebec					

Low-Rate Student Credit Cards

	Basic Features		Annual Interest Rates		
Low-Rate Student Credit Card Issuer *Low-Rate Student Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
BMO Bank of Montreal *Student Mosaik MasterCard with Low Rate option*	Not specified	600	12.9	7.9	7.9
CS Alterna Bank *Student MasterCard with low rate option*	Not specified	600	12.9	7.9	7.9
CS CO-OP *Student MasterCard with low rate option*	Not specified	600	12.9	7.9	7.9
Fédération des caisses Desjardins du Québec *Low Interest Rate VISA d.plan for Students*	Not specified	500	8.9	8.9	8.9

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
19	M1	15	5	Air miles or cash back							✓	
19	M1	15	Free									
19	M1	15	Free									
21	M1	25	Free		✓		✓					

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[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

Regular-Rate Student Credit Cards

Regular-Rate Student Credit Card Issuer	Basic Features		Annual Interest Rates		
	Minimum Personal Income Requirement ($)	Maximum Credit Limit ($)	Purchases (%)	Cash Advances (%)	Balance Transfers (%)
BMO Bank of Montreal					
CS Alterra Bank					
CS CS MC					
CUC					
Niagara Credit Union					
Royal Bank					
TD Canada Trust					

Regular-Rate Student Credit Cards

	Basic Features		Annual Interest Rates		
Regular-Rate Student Credit Card Issuer *Regular-Rate Student Credit Card Name*	**Minimum Personal Income Required ($)**	**Minimum Credit Limit ($)**	**Purchases[1] (%)**	**Cash Advances[2] (%)**	**Balance Transfers[2] (%)**
BMO Bank of Montreal *Student Mosaik MasterCard with No Fee option*	Not specified	600	18.4	18.4	18.4
CS Alterna Bank *Student MasterCard*	Not specified	600	18.4	18.4	18.4
CS CO-OP *Student MasterCard*	Not specified	600	18.4	18.4	18.4
CIBC *CIBC Classic Card for Students*	1,200	500	18.5	18.5	18.5
Federation des caisses Desjardins du Quebec *VISA d Flan for Students*	Not specified	300	17.9	17.9	17.9
Niagara Credit Union *Student MasterCard*	Not specified	Not specified	18.9	18.9	18.9
Student MasterCard with Choice Rewards	Not specified	Not specified	18.9	18.9	18.9
Royal Bank *Visa Classic Student*	Not specified	1,000	18.5	18.5	18.5
Visa Classic II Student	Not specified	1,000	18.5	18.5	18.5
TD Canada Trust *TD Green Visa Student*	Not specified	500	18.5	18.5	18.5
The GM Card Student	Not specified	500	18.5	18.5	18.5
Wal-Mart TD Visa Student	Not specified	500	15.48	15.48	6.88 (6-month introductory rate) 15.48 (thereafter)
VanCity Credit Union *Student Envirofund VISA*	600	300	17.75	17.75	17.75

Updated October 2003

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]								
					Travel Insurance						Insurance on Purchases	
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty	
19	M1	Free	5	Air miles or cash back							✓	
19	M1	Free	Free									
19	M1	Free	Free									
24	M1	Free	Free		✓						✓	
21	M1	Free	Free		✓		✓					
15	M1	Free	Free		✓						✓	
15	M1	24	Free	Points towards travel	✓						✓	
21	M2	Free	Free								✓	
21	M2	15	Free	Points towards travel merchandise, RBC products or gift certificates at selected merchants							✓	
21	M1	Free	Free		✓						✓	
21	M1	Free	Free	3% cash back towards GM vehicles	✓							
21	M1	Free	Free		✓							
21	M1	Free	Free		✓						✓	

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Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Retail
Credit Cards

A retail credit card might be for you if:

- You often shop at a specific retailer
- You can take advantage of the benefits the retailer offers
- You normally pay your balance in full each month

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Retail Credit Cards

Retail Credit Card Issuer Retail Credit Card Name	Basic Features		Interest Rate Information		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Annual Interest Rate on Purchases (%)	Interest Calculated from Purchase Date	Interest Calculated from Statement Date[1]
Canadian Tire					✓
HBC[2]					✓
Irving Oil					✓
Petro-Canada				✓	
Sears Canada					✓

Retail Credit Cards

Retail Credit Card Issuer *Retail Credit Card Name*	Basic Features		Interest Rate Information		
	Minimum Personal Income Required ($)	Minimum Credit Limit ($)	Annual Interest Rate on Purchases (%)	Interest Calculated from Purchase Date	Interest Calculated from Statement Date[1]
Canadian Tire *Canadian Tire Card*	Not specified	500	28.8	—	✓
HBC[2] *HBC Credit Card*	Not specified	300	28.8	—	✓
Irving Oil *Irving Oil Card*	Not specified	100	Prime + 22% (max. 29.95%)	—	✓
Petro-Canada *Personal Credit Card*	Not specified	300	24	✓	—
Sears Canada *Sears Card*	Not specified	500	28.8	—	✓

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]							
					Travel Insurance						Insurance on Purchases
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty
25 to 30	M1	Free	Free	Canadian Tire money							
25 to 30	M1	Free	Free	HBC rewards or air miles							
25 to 30	M2	Free	Free								
25 to 30	M2	Free	Free	Petro-Points towards Petro-Canada merchandise							
25 to 30	M1	Free	Free	Sears points towards Sears merchandise							

[1] Some retailers charge less interest because they calculate interest from the date the statement is issued rather than from the date an item is purchased.

[2] As of September 2001, new Zellers and Hudson's Bay credit cards are issued under the HBC brand. A number of Zellers and Hudson's Bay credit cards issued prior to September 1, 2001 are still in circulation.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

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Charge Cards

A charge card might be for you if:

- You pay your balance in full each month
- You can benefit from options such as unlimited credit or reward programs

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Charge Cards

Charge Card Issuer Charge Card Name	Basic Features		Penalty Interest Rate Information		
	Minimum Personal Income Required ($)	No Pre-set Credit Limit	Annual Penalty Interest Rate (%)	Penalty Calculated from Purchase Date	Penalty Cancelled if Late Statement Date[1]
Bank Issued Charges					
Diners Club International					

Charge Cards

	Basic Features		Penalty Interest Rate Information		
Charge Card Issuer *Charge Card Name*	Minimum Personal Income Required ($)	No Pre-set Credit Limit	Annual Penalty Interest Rate[1] (%)	Penalty Calculated from Purchase Date	Penalty Calculated from Statement Date[2]
Amex Bank of Canada *American Express Card*	20,000	✓	30	—	✓
American Express Gold Card	30,000	✓	30	—	✓
The Platinum Card	60,000	✓	30	—	✓
Diners Club International *Silver Card with Aeroplan*	25,000	✓	30	—	✓
Silver Card with Club Rewards	25,000	✓	30	—	✓
Gold Card	40,000	✓	30	—	✓
Maple Leaf Club Card	Not specified	✓	30	—	✓

Grace Period on New Purchases[3]		Annual Fees		Rewards and Benefits[4]							
					Travel Insurance						Insurance on Purchases
Number of Days	Method	First Card ($)	Extra Cards ($)	Rewards Program	Accident	Trip Cancellation	Medical	Car Rental	Flight Delay	Baggage Insurance	Purchase Protection and Extended Warranty
30	M2	55	30		✓						✓
30	M2	130	50	1 point for every $1 spent	✓			✓	✓	✓	✓
30	M2	399	175	1 point for every $1 spent	✓			✓	✓	✓	✓
52 to 60	M2	65	25	Aeroplan miles	✓			✓	✓	✓	
52 to 60	M2	85	35	Cash back towards merchandise	✓			✓	✓	✓	
52 to 60	M2	120	50	Aeroplan miles	✓		✓	✓	✓	✓	
52 to 60	M2	375	175	Aeroplan miles	✓		✓	✓	✓	✓	

[1] If the grace period does not apply, interest on purchases is calculated from the date of purchase of the item – or, in some cases, the date the item is posted to your account.

[2] This often results in a lower penalty than one calculated from the purchase date of an item.

[3] The grace period is part of the interest-free period. It represents the **number of days** between the statement date and the payment due date, **during which new purchases are interest-free if you meet the conditions of the method (Method 1 [M1] or Method 2 [M2]) used by the issuer**. The actual interest-free period could be longer, depending on the date of purchase of the item. See *Getting the Most from Your Credit Card* for more information on the interest-free period and the conditions set out by M1 and M2.

[4] This is not a complete list of all rewards and benefits offered by credit card issuers. If a specific benefit is not included as part of a credit card package, it may still be available at an additional cost. Furthermore, some insurance coverage may not be available to all customers due to age limits or other conditions that may apply. Check with the credit card issuer for more details.

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Service Fees

on Visa, MasterCard and American Express Credit Card Transactions

Know the service fees you will be charged for certain credit card transactions, including:

- Cash advance fees
- Over-the-limit fees
- Inactive account charges
- Foreign currency conversion fees

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Service Fees on Visa, MasterCard and American Express Credit Card Transactions

Service Fees on Visa, MasterCard and American Express Credit Card Transactions

Credit Card Issuer *Credit Card Name*	**Cash Advance Fee (in Canada)**[1]	**Cash Advance Fee (Outside Canada)**[2]	**Over-the-Limit Fee**	**Handling a Dishonoured Cheque or Cash Advance**[3]
Amex Bank of Canada	$2.75	$2.75	$20	$25
BMO Bank of Montreal	$1.50 to $2.75 at an ABM, $3 to $4 in-branch	$3.50 to $4.50 at an ABM, $5 to $6 in-branch	$20	$22
Canadian Tire *Options MasterCard*	$3	$4	—	$25
Capital One	1% of amount (min. $5, max. $10)	1% of amount (min. $5, max. $10)	$20	$20
CIBC	$2.50	$5	$15	$25
Citibank	$3	$3	$20	$25
CS Alterna Bank	$1.50 to $2.75 at an ABM, $3 to $4 in-branch	$3.50 to $4.50 at an ABM, $5 to $6 in-branch	$20	$22
CS CO-OP	$1.50 to $2.75 at an ABM, $3 to $4 in-branch	$3.50 to $4.50 at an ABM, $5 to $6 in-branch	$20	$22
Fédération des caisses Desjardins du Québec	$1 to $1.25	$2.50 to $3.50	—	$20
Home Trust	$2	$4.50 to $5.50	$29	$39
HSBC Bank Canada	$2 at an ABM, $3 in-branch	$3.50 to $4.50 at an ABM, $5 to $6 in-branch	$10	$22
Laurentian Bank	$2.25	$3.50	—	$25
MBNA Canada	1% of amount (min. $7.50, no max.)	1% of amount (min. $7.50, no max.)	$25	$20
National Bank	$1 to $3.50	$1 to $3.50	—	$10 the first time, $20 each additional time
Niagara Credit Union	—	—	—	$20
President's Choice Bank	$0 to $1.50[5]	$2.50	—	$20
Royal Bank	$2	$5	$10	$25
Scotiabank	—	—	$10	$20
TD Canada Trust	$2	$3	—	$25
VanCity Credit Union	$1	$2	$10	$20

Updated October 2003

To choose a credit card that is best suited to your needs, you should examine your credit card agreement and understand all the terms and conditions of the credit card, including all the fees related to various transactions you make inside and outside Canada.

Depending on how you use your credit card, these fees could add up substantially. Just as the annual percentage rates, annual fees and interest-free periods can vary from one issuer to another, so can the various fees for the services they offer. Know your credit card behaviour and shop around for a card that has reasonable fees for the services you use most often.

Some issuers may offer additional services, free of charge, that are not listed in the table below. The "—" symbol represents no fee; "N/A" means the service is not offered.

Converting the Amount of a Transaction Made Outside Canada into Canadian Currency	Inactive Account Charge	Purchases of Wire Transfers, Money Orders, Bets, Lottery Tickets or Casino Gaming Chips	Reprinting a Statement	Making a Copy of a Transaction Record (Sales Slip)
1.6% to 2.2%, depending on card	—	—	$3	—
2.5%	—	$2.75	$2	$2
2.3%	—	—	$2	$2
2.5%	—	1% of amount (min. $5, max. $10)	$3	$2
2.5%	—	—	$2[4]	$2[4]
2.0%	—	—	$2[4]	$2[4]
2.5%	After 2 yrs. – $15[7], after 5 yrs. – $27[7], after 9 yrs. – $30[7]	$2.75	$2	$2
2.5%	After 2 yrs. – $15[7], after 5 yrs. – $27[7], after 9 yrs. – $30[7]	$2.75	$2	$2
1.8%	—	—	$5[4]	$5
2.0%	—	—	$5	$5
1.8%	—	$2.75	$2	$2
1.8%	—	—	$5[4]	$5[4]
2.5%	After 1 yr. – $5[7], after 2 yrs. – $15[7], after 5 yrs. – $25[7], after 9 yrs. – $30[7]	1% of amount (min. $7.50, no max.)	$2.50[4]	—
2.5%	—	—	$5[4]	$5[4]
—	—	—	$4	—
2.0%	—	—	$2	$2
2.5%	—	—	$2[4]	$2[4]
1.8%	—	—	$2	$2
2.0%	—	—	$2	$2
1.8%	After 1 yr. – $5[7], after 2 yrs. – $15[7], after 5 yrs. – $25[7], after 9 yrs. – $30[7]	—	$2[4]	$2[4]

[1] In addition to Interac or convenience fees at white-label ABMs.

[2] In addition to System Plus, Cirrus or convenience fees at white-label ABMs.

[3] If the cheque for your credit card payment is sent back to the credit card issuer for "non-sufficient funds" (NSF), or if a cheque for a cash advance on your credit card is not accepted by your credit card issuer because you have exceeded your credit limit.

[4] No charge if request is made within 30 days following the issuing of the statement.

[5] Free at President's Choice Financial and CIBC bank machines.

[6] Free at RBC if a cheque for a cash advance on your credit card is not accepted because you have exceeded your credit limit.

[7] Or the credit balance amount, whichever is lower.

[8] Most recent six months provided free of charge.

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Service Fees

on Retail Credit Card Transactions

Know the service fees you will be charged for certain retail credit card transactions, including:

- Cash advance fees
- Dishonoured cheque fees
- Reprinting statements

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Service Fees on Retail Credit Card Transactions

Credit Card Issuer *Credit Card Name*	Cash Advance Fee (in Canada)[1]	Cash Advance Fee (Outside Canada)[2]	Over-the-Limit Fee	Handling a Dishonoured Cheque or Cash Advance[3]
Canadian Tire				
Diners Club International				
HBC				
Irving Oil	N/A	N/A	—	
Petro-Canada				
Sears Canada	N/A	N/A	—	

Service Fees on Retail Credit Card Transactions

To choose a credit card that is best suited to your needs, you should examine your credit card agreement and understand all the terms and conditions of the credit card, including all the fees related to various transactions you make inside and outside Canada.

Depending on how you use your credit card, these fees could add up substantially. Just as the annual percentage rates, annual fees and interest-free periods can vary from one issuer to another, so can the various fees for the services they offer. Know your credit card behaviour and shop around for a card that has reasonable fees for the services you use most often.

Some issuers may offer additional services, free of charge, that are not listed in the table below. The "—" symbol represents no fee; "N/A" means the service is not offered.

Credit Card Issuer *Credit Card Name*	**Cash Advance Fee (in Canada)[1]**	**Cash Advance Fee (Outside Canada)[2]**	**Over-the-Limit Fee**	**Handling a Dishonoured Cheque or Cash Advance[3]**
Canadian Tire *Canadian Tire Card*	$2	N/A	—	$25
Diners Club International	4% of amount (no min., no max.)	4% of amount (no min., no max.)	—	$25
HBC	N/A	N/A	—	$25
Irving Oil	N/A	N/A	—	$20
Petro-Canada	N/A	N/A	—	$20
Sears Canada	N/A	N/A	—	$25

Updated October 2003

Converting the Amount of a Transaction Made Outside Canada into Canadian Currency	Inactive Account Charge	Purchases of Wire Transfers, Money Orders, Bets, Lottery Tickets or Casino Gaming Chips	Reprinting a Statement	Making a Copy of a Transaction Record (Sales Slip)
N/A	—	N/A	—	—
2%	—	—	—	—
N/A	—	—	—	—
—	—	N/A	$5	—
N/A	—	N/A	$5	—
1% on Sears Roebuck purchases	—	N/A	—	—

[1] In addition to Interac or convenience fees at white-label ABMs.

[2] In addition to System Plus, Cirrus or convenience fees at white-label ABMs.

[3] If the cheque for your credit card payment is sent back to the credit card issuer for "non-sufficient funds" (NSF), or if a cheque for a cash advance on your credit card is not accepted by your credit card issuer because you have exceeded your credit limit.

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Worksheet to Help You Choose a Credit Card

Annual Fee: In general, you should compare the annual fee to the interest rate charged on the card. For example, compare a credit card with an annual interest rate of 18.5% and a $0 annual fee, to a card with an annual interest rate of 12.9% and an annual fee of $15. Usually, if you carry a balance on your credit card, you are better off paying a small annual fee to benefit from the lower interest rate. For more information, refer to ***Managing Your Money***, available in this kit.

Annual Interest Rate: In many cases, the annual interest rate on purchases is different from the one on cash advances and balance transfers, for the same card. Which type of transactions will you be making the most often? You should look for a card with the lowest interest rate for that type. Sometimes a credit issuer will offer an introductory low-rate offer on a higher-interest credit card. These offers apply only for a limited period of time, and usually to a specific type of transaction. If you are considering an introductory low-rate offer, refer to ***Getting the Most from Your Credit Card***, available in this kit.

Grace Period: A longer grace period is always better. If the interest-free period applies to your new purchases, a longer grace period will give you more time to pay. However, if the interest-free period does not apply, then you should pay your credit card bill as soon as you receive your statement to pay less in interest charges. Waiting until the due date on your statement will only make you incur more interest charges.

See ***Getting the Most from Your Credit Card***, available in this kit, to find out whether the interest-free period applies to your new purchases.

Rewards Program: If you use your credit card for convenience only and not to carry a balance (that is, you normally pay off your credit card in full each month), rewards programs could be beneficial to you. You can normally accumulate points that you can redeem for merchandise, travel, and more. Rewards programs are not useful for people carrying a balance because points accumulate only when you make purchases using your credit card. You must normally make a very large amount of purchases before you have enough points to begin redeeming them for something of value to you.

Insurance, Other Benefits or Optional Services: If you travel often, or are in need of an optional service such as credit balance insurance, compare the benefits that already come with the card, and compare additional benefits that could be useful to you. It may be very costly for you to purchase benefits or insurance as an option. You might be better off finding an alternative with another company offering this service.

Service Fees: Service fees generally add a lot of cost to your credit card transactions. Normally, cash advance fees and foreign currency conversion fees are the most costly. If you make these types of transactions often, find a card with a low fee for this service.

Worksheet to Help You Choose a Credit Card

Follow the steps below to help you shop around for a credit card. Turn the page over if you need more information about a specific feature.

Step 1: Enter the Basic Card Details	**Card A**	**Card B**	**Card C**
Credit card issuer			
Type of card (Standard, Gold, Platinum, etc.)			
Card name			

Step 2: Decide Which Credit Card Features Are Most Important to You (check at least three from the list below)	**Card A**	**Card B**	**Card C**
Annual Fee			
Amount			
Supplementary card			
Annual Interest Rate			
Purchases interest rate			
On purchases			
On cash advances			
On balance transfers			
Length of time rate is in effect			
Penalty annual interest rate			
On purchases			
On cash advances			
On balance transfers			
Grace Period on New Purchases			
Number of days			
Method used to calculate (see *Getting the Most from Your Credit Card*)			
Rewards Program			
Type of rewards program			
Amount of rewards earned			
Limitations on rewards			
Annual fee for rewards program			
Insurance, Other Benefits or Optional Services			
Insurance			
Other benefits			
Optional services			
Service Fees for Various Transactions			
Late payment fee			
Over-the-limit fee			
Balance transfer fee			
Foreign currency conversion fee			
Other fees			

Step 3: Decide Which Credit Card Meets Your Needs			

Worksheet to Help You Choose a Credit Card

Follow the steps below to help you shop around for a credit card. Turn the page over if you need more information about a specific feature.

Step 1: Enter the Basic Card Details	**Card A**	**Card B**	**Card C**
Credit card issuer			
Type of card (Standard, Gold, Platinum, etc.)			
Card name			
Step 2: Decide Which Credit Card Features Are Most Important to You (check at least three from the list below)	**Card A**	**Card B**	**Card C**
Annual Fee			
First card			
Supplementary cards			
Annual Interest Rate			
Promotional Interest Rate			
On purchases			
On cash advances			
On balance transfers			
Length of time these rates apply			
Regular Annual Interest Rate			
On purchases			
On cash advances			
On balance transfers			
Grace Period on New Purchases			
Number of days			
Method used (Method 1 [M1] or Method 2 [M2] – see ***Getting the Most from Your Credit Card*** for an explanation of the methods)			
Rewards Program			
Type of rewards program			
Amount of time required to accumulate enough points for something of value (use same value to compare between different cards)			
Insurance, Other Benefits or Optional Services			
Insurance or benefits included with the card			
Other insurance or benefits not included with the card			
Service Fees for Various Transactions			
Cash advance fee (in Canada)			
Cash advance fee (outside Canada)			
Over-the-limit fee			
Foreign currency conversion fee (if you make purchases outside Canada)			
Other			
Step 3: Decide Which Credit Card Meets Your Needs			

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Glossary of Key Terms
Used in This Kit

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Glossary of Key Terms Used in This Kit

Annual Fee	A charge levied each year for use of a credit card. It's billed directly to your monthly statement. However, many credit cards come without an annual fee.
Annual Interest Rate	The annual interest rate charged on purchases that don't benefit from the interest-free period. There is no interest-free period for cash advances or balance transfers, and interest is charged from the day you withdraw the funds.
Balance Transfer	The transfer of an outstanding credit card balance from one card to another, usually between different institutions. The new card issuer usually charges interest from the day the amount is transferred to the new card — there is no interest-free period.
Cash Advance	The withdrawal of funds from your credit card, up to the credit limit allowed. The amount you withdraw may be subject to daily limits. There is no interest-free period, so interest is charged from the day you withdraw the funds.
Convenience Cheque	A cheque provided by the credit card issuer and drawn on your credit card account. You can use a convenience cheque the same way you would a personal cheque. When you use a convenience cheque, the transaction is treated as a cash advance for the purposes of calculating interest charges – there is no interest-free period and you're charged interest until you pay back the amount of the cheque in full.
Grace Period	The grace period is the time between the statement date and the payment due date, and is determined by the credit card issuer. The grace period usually varies between 15 and 26 days and is part of the interest-free period. The grace period may not apply unless you meet certain conditions.

Interest-Free Period	The interest-free period on new purchases starts on the date you make a purchase and ends when the credit card issuer begins charging you interest on that purchase. The interest-free period includes the grace period determined by the credit card issuer. It may not apply unless certain conditions are met.
Method 1	The method used by some credit card issuers to determine whether the interest-free period applies to your new purchases. With this method, it applies only if you pay your current month's balance in full by the due date.
Method 2	The method used by some credit card issuers to determine whether the interest-free period applies to your new purchases. With this method, it applies only if you pay your current month's balance in full by the due date, and you have also paid your previous month's balance in full by the due date (in other words, you're not carrying a balance from the previous month).
Minimum Payment	The minimum amount payable each month on your credit card balance.
Penalty Interest Rate	The rate at which penalty charges are calculated. It only applies to charge cards.
Prime Rate	The interest rate a financial institution charges on loans to its best customers.
Reference Rate	A base rate, such as the Prime Rate, used in the calculations of variable credit card interest rates.
Reward Program	A program offered by credit card issuers that gives cardholders rewards for using their credit card. You collect reward points every time you charge a purchase to your card. You can usually redeem these points in merchandise, travel or cash, depending on the program.
Security Deposit	The amount you deposit with a credit card issuer as security to obtain a secured credit card.

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